

# City of Capitola

## Planning Commission Meeting Agenda

### Thursday, April 03, 2025 – 6:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Chairperson:** Paul Estey

**Commissioners:** Matthew Howard, Nathan Kieu, Susan Westman, Courtney Christiansen

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

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

Commissioners Matthew Howard, Nathan Kieu, Susan Westman, Courtney Christiansen, and Chair Paul Estey

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

#### 3. Oral Communications

*Please review the section How to Provide Comments to the Planning Commission for instructions. Oral Communications allows time for members of the public to address the Planning Commission on any Consent Item on tonight's agenda or on any topic within the jurisdiction of the City that is not on the Public Hearing section of the Agenda. Members of the public may speak for up to three minutes unless otherwise specified by the Chair. 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.*

#### 4. Planning Commission/Staff Comments

#### 5. Consent Calendar

*All matters listed under "Consent Calendar" are considered by the Planning Commission to be routine and 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 Planning Commission votes on the action unless the Planning Commission request specific items to be discussed for separate review. Items pulled for separate discussion will be considered in the order listed on the Agenda.*

**A. Approval of January 22, 2025 Planning Commission Minutes**

**B. Approval of March 3rd, 2025 Planning Commission Minutes**

#### 6. Public Hearings

*Public Hearings are intended to provide an opportunity for public discussion of each item listed as a Public Hearing. The following procedure is as follows: 1) Staff Presentation; 2) Planning Commission Questions; 3) Public Comment; 4) Planning Commission Deliberation; and 5) Decision.*

##### **A. 115 San Jose Avenue**

Project Description: Permit #25-0139. APN# 035-221-18 &19. Proposed amendments to the Master Conditional Use Permit for the mixed-use Capitola Mercantile to modify the outdoor seating plan and remove a condition prohibiting live entertainment. The site is in the MU-V (Mixed-Use Village) zoning district.

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

Environmental Determination: Categorical Exemption

**Recommended Action:** Consider Permit #25-0139 and approve the amendments to the Master Conditional Use Permit with the modified conditions of approval.

Property Owner: Capitola Associates, LLC

Representative: Dennis Norton, filed: 03.11.2025

**B. 231 Esplanade, suite #102**

Project Description: Application #25-0138. APN: 035-211-01. Conditional Use Permit Modification to change from a beer and wine liquor license to full liquor (Type 41 to Type 47). The building is located within the MU-V (Mixed Use Village) zoning district.

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

Environmental Determination: Categorical Exemption

**Recommended Action:** Consider Application #25-0138 and approve the project based on the attached Conditions and Findings for Approval.

Property Owner: La Serena Properties

Representative: Kat Cannon, Filed: 3/10/25

**C. Housing Element Annual Progress Report**

Project Description: Housing Element Annual Progress Report

**Recommended Action:** Accept staff presentation

**7. Director's Report**

**8. Adjournment – Adjourn to the next regularly scheduled meeting of the Planning Commission on May 1, 2025 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: <https://www.youtube.com/@cityofcapitolacalifornia3172>

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

Meeting link: <https://us02web.zoom.us/j/84412302975pwd=NmlrdGZRU2tnYXRjeSs5SIZweUIOQT09>

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

Meeting ID: 844 1230 2975

Meeting Passcode: 161805

**How to Provide Comments to the Planning Commission**

Members of the public may provide public comments to the Planning Commission in-person during the meeting. If you are unable to attend the meeting in person, please email your comments to [planningcommission@ci.capitola.ca.us](mailto:planningcommission@ci.capitola.ca.us) and they will be included as a part of the record for that meeting. Emailed comments will be accepted after the start of the meeting until the Chairman announces that public comment for that item is closed.

**Appeals:** The following decisions of the Planning Commission can be appealed to the City Council within the (10) calendar days following the date of the Commission action: Design Permit, Conditional Use Permit, Variance, and Coastal Permit. If the tenth day falls on a weekend or holiday, the appeal period is extended to the next business day. All appeals must be in submitted writing on an official city application form, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk. An appeal must be accompanied by a filing fee, unless the item involves a Coastal Permit that is appealable to the Coastal Commission, in which case there is no fee. If you challenge a decision of the Planning Commission in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

**Notice regarding Planning Commission meetings:** The Planning Commission meets regularly on the 1st Thursday of each month at 6 p.m. in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

**Agenda and Agenda Packet Materials:** The Planning Commission Agenda and complete Agenda Packet are available on the Internet at the City's website: <https://www.cityofcapitola.org/> . Need more information? Contact the Community Development Department at (831) 475-7300.

**Agenda Materials Distributed after Distribution of the Agenda Packet:** Materials that are a public record under Government Code § 54957.5(A) and that relate to an agenda item of a regular meeting of the Planning Commission that are distributed to a majority of all the members of the Planning Commission more than 72 hours prior to that meeting shall be available for public inspection at City Hall located at 420 Capitola Avenue, Capitola, 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 Community Development Department 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:** Planning Commission meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be replayed on the following Monday and Friday at 1:00 p.m. on Charter Channel 71 and Comcast Channel 25. Meetings can also be viewed from the City's website: <https://www.cityofcapitola.org/>.

# City of Capitola

## Planning Commission Meeting Agenda

### Wednesday, January 22, 2025 – 6:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Chairperson:** Paul Estey,

**Commissioners:** Courtney Christiansen, Matthew Howard, Nathan Kieu, Susan Westman

1. **Roll Call and Pledge of Allegiance** – The meeting was called to order at 6:00 PM. In attendance: Commissioners Estey, Howard, Kieu, Westman, Chair Christiansen

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

No additional materials.

3. **New Business**

A. Oath of Office of all newly appointed Planning Commissioners.

***The Deputy City Clerk administered the Oath of Office to Matthew Howard and Nathan Kieu.***

B. Nomination and Appointment of Chair and Vice Chair

***Motion to appoint Paul Estey as Chair for 2025: Commissioner Westman***

***Second: Commissioner Howard***

***Voting Yea: Commissioners Estey, Howard, Kieu, Westman, Christiansen***

***Motion to appoint Courtney Christiansen as Vice Chair for 2025: Commissioner Westman***

***Second: Chair Estey***

***Voting Yea: Commissioners Howard, Kieu, Westman, Christiansen, Chair Estey***

C. Appointment of a Planning Commissioner Representative to the Art and Cultural Commission.

***Motion to appoint Courtney Christiansen as the Planning Commission Representative to the Art and Cultural Commission: Commissioner Westman***

***Second: Chair Estey***

***Voting Yea: Commissioners Howard, Kieu, Westman, Vice Chair Christiansen, Chair Estey***

4. **Oral Communications: None**

5. **Planning Commission/Staff Comments**

*Director Herlihy informed the Planning Commission that the Community Development Department has begun working on the multi-family zoning update after starting the process last year. A community meeting is planned for February 25<sup>th</sup>, 2025, in the City's Community Room at 6:00 PM.*

*City Clerk Gautho congratulated the new Commissioners on their appointment and advised the Commission that the joint City Council Meeting originally scheduled for January 16<sup>th</sup> had to be pushed out and she will be in touch soon with a rescheduled date.*

**6. Consent Calendar**

**A. Approval of December 5th, 2024, Planning Commission Meeting Minutes**

**B. 2025 Regular Meeting Schedule**

**Recommended Action:** Adopt the 2025 Regular Meeting Schedule of the Planning Commission.

**C. 216 Central Avenue**

**Project Description:** Application #25-0040. APN: 036-122-22. Request for a two-year permit extension of Permit #20-0103. Design Permit, Historic Alteration Permit, Minor Modification for the required parking space dimensions, and Variance for the nonconforming calculation to construct first- and second-story additions to a historic single-family residence located within the R-1 (Single-Family Residential) zoning district.

This project is in the Coastal Zone and requires a Coastal Development Permit which is appealable to the California Coastal Commission after all possible appeals are exhausted through the City.

**Recommended Action:** Consider request and approve a two-year permit extension for Permit #20-0103 based on the original Conditions and Findings for Approval.

**Permit Extension Finding:**

- A. The applicant has proceeded in good faith and exercised due diligence in efforts to exercise the permit in a timely manner, and the time extension is consistent with all applicable provisions of the zoning code.**

Community Development Staff and the Planning Commission have reviewed the application to extend the original permit approval and found the applicant has proceeded in good faith and exercised due diligence in efforts to exercise the permit in a timely manner. The two-year permit extension complies with all applicable provisions of the zoning code.

**Design Permit Findings:**

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

Community Development Staff and the Planning Commission have reviewed the proposed additions to an existing residence. With the granting of a variance to the side setback of the primary residence, the project secures the purpose of the General Plan, and Local Coastal Program, and design policies and regulations adopted by the City Council.

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

Community Development Staff and the Planning Commission have reviewed the application for additions to an existing residence and new attached garage. With the granting of a variance to the side setback of the primary residence, the project complies with all applicable provisions of the zoning code and municipal code.

- C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section 15332 of CEQA Guidelines exempts in-fill development projects which meet all conditions within the exemption. The project involves additions to an existing single-family residence and subject to the R-1 (Single-Family Residential) zoning district. With approval of a variance for the nonconforming construction calculation and minor

modification for the minimum required parking dimensions, the project meets all applicable general plan policies and zoning regulations; the project site does not have any identified habitat value; the project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site is and can be adequately served by all required utilities and public services. The project has also been found to be consistent with Section 15300.2(f) for modifications to historical resources.

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

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

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

The Community Development Staff and the Planning Commission have reviewed the application. With the granting of a variance to the side setback of the primary residence, the proposed complies with all applicable design review criteria in Section 17.120.070.

**F. The proposed project maintains the character, scale, and development pattern of the neighborhood.**

Community Development Staff and the Planning Commission have all reviewed the application. The remodeled design preserves the original front elevation of the historic structure and focuses new massing towards the rear of the building. The project will maintain the character, scale, and development pattern of the neighborhood.

**Historic Alteration Permit Findings:**

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

Community Development Staff and the Planning Commission have reviewed the proposed remodel of the historic structure and determined the additions are located such that they limit publicly visible alterations that would impact the historic character and the structure will retain the character-defining features identified by the architectural historian.

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

Community Development Staff and the Planning Commission have reviewed the proposed project and determined that distinctive design will be preserved by retaining the distinctive cross-gable roof, shed-roofed entry porch, horizontal wood siding, and wood window surrounds.

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

Community Development Staff and the Planning Commission have reviewed the proposed additions to the structure and determined that they are focused to the rear of the structure and non-primary elevation. The second story addition has been located behind the existing cross-gable ridgeline to create spatial separation. Use of exterior materials matches the original sections but will be differentiated with different board and detail widths.

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

Community Development Staff and the Planning Commission have reviewed the proposed project and determined that historic features will be preserved, reused, and repaired to the extent possible. The additions are located such that the remove and replace non-original sections of the structure and removal of original materials and features will be limited.

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

Community Development Staff and the Planning Commission have reviewed the proposed involves additions to an existing residence will not impact archeological resources.

**Variance Findings:**

- A. There are unique circumstances applicable to the subject property, including size, shape, topography, location, or surroundings, that do not generally apply to other properties in the vicinity or in the same zone as the subject property.**

There are unique circumstances applicable to the subject property includes a historic residence which is protected within the municipal code and under CEQA. The nonconforming section portion of the structure is also the best-preserved and most visible front elevation.

- B. The strict application of the zoning code requirements would deprive the subject property of privileges enjoyed by other property in the vicinity or in the same zone as the subject property.**

The proposed modifications complies with all height, setback, and FAR requirements. The strict application of the zoning code requirements for both nonconforming and historic preservation would deprive the subject property of development alternatives typically available such as demolition.

- C. The variance is necessary to preserve a substantial property right possessed by other property in the vicinity or in the same zone as the subject property.**

The variance is necessary to preserve the ability to construction additions in a manner consistent with current development standards and historic preservation.

- D. The variance will not be materially detrimental to the public health, safety, or welfare, or be injurious to the properties or improvements in the vicinity or in the same zone as the subject property.**

The variance will not impose any detrimental impacts on the public health, safety, or welfare, or be injurious to properties or improvements in the vicinity or in the same zone as the subject property. The variance allows additions which comply with the maximum floor area ratio (FAR) with while preserving historically significant portions of the structure.

- E. The variance does not constitute a grant of special privilege inconsistent with the limitations upon other properties in the vicinity or in the same zone as the subject property.**

The variance does not grant privileges in excess of the objective development standards applicable to all properties in the vicinity and the within the same zone. The variance allows the property to expand a structure without addressing an existing nonconformity due to its historic status. In 2014, a similar variance was granted at 124 Central Avenue

for an addition to a nonconforming historic structure. The application at 124 Central Avenue also included alterations greater than 80 percent of the fair market value.

**F. The variance will not have adverse impacts on coastal resources**

The variance will not adversely impact coastal resources.

**Minor Modification Findings:**

**A. The modification will be compatible with adjacent structures and uses and is consistent with the character of the neighborhood or district where it is located.**

The proposed parking arrangement enables the project to provide the required number of onsite parking spaces, including the covered parking requirement.

**B. The modification will not adversely impact neighboring properties or the community at large.**

The proposal increases overall parking opportunities for the site and, indirectly, the neighborhood. Although the garage space is considered substandard it meets the minimum dimensions of a 9-foot wide by 18-foot deep tandem space.

**C. The modification is necessary due to unique characteristics of the subject property, structure, or use.**

Site parking is directly constrained by the historic structure, the existing driveway and garage, and the narrowing of the lot. Capitola lots typically have a minimum depth of at least 70 feet. On corner lots where parking may be arranged on the exterior side, lots typically have a minimum depth of at least 40 feet, which would allow for two compliant uncovered spaces. The driveway area has a lot depth (width) that tapers to less than 34 feet. The unique shape of this lot prevents the ability to arrange tandem parking spaces with straight approaches. Expanding the existing forward garage would limit accessibility and siting of the two uncovered spaces.

**D. The modification will be consistent with the purpose of the zoning district, the general plan, local coastal program, and any adopted area or neighborhood plan.**

The proposed parking arrangement provides the required number of on-site spaces, the required number of covered spaces and has been designed to comply with parking requirements in all respects except parking dimension. The substandard garage space will accommodate most modern vehicles.

**E. The modification will not establish a precedent.**

The site is subject to irregular shape and dimensions, an existing-nonconforming garage, and a historic structure. The proposed modification has been evaluated on a site- and project- specific basis and will not establish a precedent.

**F. The modification will not adversely impact coastal resources.**

The subject property does not contain coastal resources. Additional on-site parking will not adversely impact coastal resources in the area.

**Coastal Development Permit Findings:**

**A. The project is consistent with the LCP land use plan, and the LCP implementation program.**

The proposed development conforms to the City’s certified Local Coastal Plan (LCP) land use plan and the LCP implementation program.

**B. The project maintains or enhances public views.**

The proposed project is located on private property at 216 Central Avenue. The project will not negatively impact public landmarks and/or public views.



**C. The project maintains or enhances vegetation, natural habitats and natural resources.**

The proposed project is located at 216 Central Avenue. The proposed project will maintain or enhance vegetation consistent with the allowed use and will not have an effect on natural habitats or natural resources.

**D. The project maintains or enhances low-cost public recreational access, including to the beach and ocean.**

The project will not negatively impact low-cost public recreational access.

**E. The project maintains or enhances opportunities for visitors.**

The project will not negatively impact visitor serving opportunities.

**F. The project maintains or enhances coastal resources.**

The project involves residential additions on private property and will not negatively impact coastal resources.

**G. The project, including its design, location, size, and operating characteristics, is consistent with all applicable design plans and/or area plans incorporated into the LCP.**

With the granting of a variance for the nonconforming construction calculation and a minor modification for the parking dimensions of the covered space, the proposed residential project complies with all applicable design criteria, design guidelines, area plans, and development standards. The operating characteristics are consistent with the R-1 (Single-Family Residential) zone.

**H. The project is consistent with the LCP goal of encouraging appropriate coastal development and land uses, including coastal priority development and land uses (i.e., visitor serving development and public access and recreation).**

The project involves additions to an historic residence on a residential lot of record. The project is consistent with the LCP goals for appropriate coastal development and land uses. The use is an allowed use consistent with the R-1 zoning district.

**Conditions of Approval:**

1. The approval consists of a two-year time extension of permit #20-0103. The project consists of 770 square-feet of first- and second-story additions to a historic, nonconforming residence. The maximum Floor Area Ratio for the 4,486 square foot property is 52% (2,333 square feet). The total FAR of the project is 50.5% with a total of 2,267 square feet, compliant with the maximum FAR within the zone. The project was originally approved by the Planning Commission on November 3, 2022. The proposed permit extension is approved as indicated on the final plans reviewed and approved by the Planning Commission on January 22, 2025, except as modified through conditions imposed by the Planning Commission during the hearing.
2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.

4. At time of submittal for demolition and/or building permit review, the applicant shall include a demolition work of scope statement and a demolition plan clearly identifying all areas of walls and floors to be demolished. The City may require a letter from a structural engineer. Any modifications to the demolition plans, including modifications to the scope of work, means and methods of demolition/construction, or changes to the framing, windows, or any other exterior elements shall be submitted to the Building Department for review and approval prior to proceeding with demolition and/or construction. In the course of construction, the City may require additional plans as they deem necessary.
5. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.
6. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
7. Prior to issuance of building permit, a landscape plan shall be submitted and approved by the Community Development Department. The landscape plan can be produced by the property owner, landscape professional, or landscape architect. Landscape plans shall reflect the Planning Commission approval and shall identify type, size, and location of species and details of any proposed (but not required) irrigation systems.
8. Prior to issuance of a Certificate of Occupancy, the applicant shall complete landscape work to reflect the approval of the Planning Commission. Specifically, required landscape areas, all required tree plantings, privacy mitigations, erosion controls, irrigation systems, and any other required measures shall be addressed to the satisfaction of the Community Development Director.
9. Prior to issuance of building permit, all Planning fees associated with permit #20-0103 and #25-0040 shall be paid in full.
10. Prior to issuance of building permit, the developer shall pay Affordable housing impact fees as required to assure compliance with the City of Capitola Affordable Housing Impact Fee Ordinance.
11. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District, and Central Fire Protection District.
12. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.
13. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).
14. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.

15. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.
16. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B
17. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.
18. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
19. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
20. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
21. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.
22. Prior to issuance of building permits, the building plans must show that the existing overhead utility lines will be underground to the nearest utility pole.
23. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward.
24. Prior to issuance of a building permits, the applicant shall submit a preservation plan to the satisfaction of the Community Development Department. In addition to Condition #25(a), the plan shall specify differentiation of new horizontal boards from the existing horizontal board width.
25. Secretary of the Interior's Standards and Guidelines for preservation, rehabilitation, restoration, or reconstruction shall be followed.
  - a. Prior to the remodel of the historic residence, the applicant shall catalog all existing details of the structure. Once the existing structure is ready to be

remodeled, the applicant is required to have an inspection by the City Planner and Building Inspector to ensure all existing materials are documented in accordance with the preservation plan. Existing materials must be stored in a weatherproof area.

- b. Any removal of existing building materials or features on historic buildings shall be approved by the Community Development Department prior to removal.
- c. The applicant and/or contractor shall field verify all existing conditions on historic buildings and match replacement elements and materials according to the approved plans. Any discrepancies found between approved plans, replacement features and existing elements must be reported to the Community Development Department for further direction, prior to construction.

**Commissioners Howard and Kieu abstained from Item 6A as they weren't present for the December 5, 2024, meeting. Chair Estey recused himself from Item 6C due to proximity to the project.**

**Motion to approve Item 6A: Commissioner Westman**  
**Second: Vice Chair Christiansen**  
**Voting Yea: Commissioner Vice Chair Christiansen, Chair Estey**  
**Abstain: Commissioners Howard, Kieu**

**Motion to approve Item 6B: Commissioner Westman**  
**Second: Vice Chair Christiansen**  
**Voting Yea: Commissioners Howard, Kieu, Westman, Vice Chair Christiansen, Chair Estey**

**Motion to approve Item 6C: Commissioner Westman**  
**Second: Vice Chair Christiansen**  
**Voting Yea: Commissioners Howard, Kieu, Westman, Vice Chair Christiansen,**  
**Abstain: Chair Estey**

**7. Public Hearings**

**A. 1550 45th Avenue**

Project Description: Application #24-0145. APN: 034-032-19. Design Permit for first- and second-story additions and attached accessory dwelling unit to an existing single-family residence and a Variance request for the minimum required setback for an attached garage. The project is located within the R-1 (Single-Family Residential) zoning district. The project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

**Recommended Action:** Consider Application #24-0145 and approve the project based on the attached Conditions and Findings for Approval.

**Associate Planner Sesanto presented the staff report.**

**Public Comment: None**

**The Commission discussed how front entrances are defined on corner lots and setback requirements on corner lots.**

**Motion to approve Item 7A: Vice Chair Christensen**

**Second: Commissioner Kieu**

**Voting Yea: Commissioners Howard, Kieu, Westman, Vice Chair Christiansen, Chair Estey**

**Design Permit Findings:**

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

Community Development Staff and the Planning Commission have reviewed the project. The proposed single-family residence complies with the development standards of the R-1 (Single-Family Residential) zoning district. With the granting of a variance, the project secures the purpose of the General Plan, and Local Coastal Program, and design policies and regulations adopted by the City Council.

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

Community Development Staff and the Planning Commission have reviewed the application for the proposed residential project. With the granting of a variance, the project complies with all applicable provisions of the zoning code and municipal code.

- C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section §15303(b) of the CEQA Guidelines exempts new construction or conversion of existing structures for a single-family residence and a secondary dwelling unit and is subject to Section 753.5 of Title 14 of the California Code of Regulations. The project involves alterations to an existing single-family residence, including the partial conversion to include a secondary dwelling unit. The project is located within the R-1 (Single-Family Residential) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

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

Community Development Staff and the Planning Commission have reviewed the project. The proposed single-family residence will not be detrimental to public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

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

The Community Development Staff and the Planning Commission have reviewed the application. The proposed residence complies with all applicable design review criteria in Section 17.120.070.

- F. The proposed project maintains the character, scale, and development pattern of the neighborhood.**

Community Development Staff and the Planning Commission have all reviewed the application for the remodeled single-family residence and internal accessory dwelling unit. The project improves the site while retaining some of the existing residences' style. The two units maintain the scale, character, and development pattern of the neighborhood.

**Variance Findings:**

- A. There are unique circumstances applicable to the subject property, including size, shape, topography, location, or surroundings, that do not generally apply to other properties in the vicinity or in the same zone as the subject property.**

The subject property has a lot width of 40 feet and depth of 80 feet, which is comparable to properties within the R-1 zone. However, compared to regular lots, corner lots have a more restrictive 10-foot street side setback and relaxed rear setback, typically four feet. As is the case in this application, corner lot standards result in longer, narrower homes with garages accessed from the side rather than the front. When accounting for side setbacks, minimum required garage dimensions, and the five-foot garage setback from the primary building wall, a typical 40-foot-wide lot has little or no design margin for compliance. Therefore, access of a corner lot from the side property line poses an unusual circumstance in the application of the five-foot garage articulation requirement when compared to other properties in the R-1 zone.

**B. The strict application of the zoning code requirements would deprive the subject property of privileges enjoyed by other property in the vicinity or in the same zone as the subject property.**

Eleven nearby corner lots within the R-1 zone were evaluated, all along 45th Avenue. Ten of the properties include garages, seven of which are attached garages accessed from the side property line (45th Avenue). Only one of the seven attached garages complies with the 5-foot setback requirement. The strict application of this requirement on a would deprive the subject property of a design commonly enjoyed on similar properties in the same zone.

**C. The variance is necessary to preserve a substantial property right possessed by other property in the vicinity or in the same zone as the subject property.**

As described in Finding A, corner lot development standards limit practicality of front-facing garages and are typically accessed from the side instead. Eleven nearby corner lots within the R-1 zone were evaluated, all along 45th Avenue. Ten of the properties include garages, seven of which are attached garages accessed from the side (45th Avenue). Only one of the seven attached garages complies with the five-foot setback requirement. The granting of a variance would preserve a property right possessed by corner lots within the vicinity and R-1 zone.

**D. The variance will not be materially detrimental to the public health, safety, or welfare, or be injurious to the properties or improvements in the vicinity or in the same zone as the subject property.**

The proposed garage design results in a full-sized garage meeting the on-site parking goals. The design is comparable to nearby corner lots within the R-1 Zone. Approval of the variance will not negatively impact the public, properties, or improvements in the vicinity or in the same zone as the subject property.

**E. The variance does not constitute a grant of special privilege inconsistent with the limitations upon other properties in the vicinity or in the same zone as the subject property.**

Eleven nearby corner lots within the R-1 zone were evaluated, seven of which have attached garages. Only one of the seven identified properties complies with the five-foot garage articulation standard. The variance does not constitute a grant of special privilege.

**F. The variance will not have adverse impacts on coastal resources.**

The property will not impact nearby coastal resources.

**Conditions of Approval:**

1. The project approval consists of a single-family remodel, including first- and secondary-story additions, and conversion of existing space into an accessory dwelling unit. The approval includes a Variance for the requirement that attached garages must be set back

five feet from the building front wall. The maximum Floor Area Ratio for the 3,198 square foot property is 57% (1,822 square feet). The total FAR of the project is 68.2% with a total of 2,182 square feet, including a 360 square-foot accessory dwelling unit that is subject to the Guaranteed Allowance. The project is compliant with the maximum FAR within the zone. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on January 22, 2025, except as modified through conditions imposed by the Planning Commission during the hearing.

2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.
4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.
5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
6. Prior to issuance of building permit, a landscape plan shall be submitted and approved by the Community Development Department. The landscape plan can be produced by the property owner, landscape professional, or landscape architect. Landscape plans shall reflect all Planning Commission requirements. The plan shall identify planting type, size, and location of species and details of any proposed (but not required) irrigation systems.
7. Prior to issuance of a Certificate of Occupancy, the applicant shall complete landscape work to reflect the approval of the Planning Commission. Specifically, required landscape areas, all required tree plantings, privacy mitigations, erosion controls, irrigation systems, and any other required measures shall be addressed to the satisfaction of the Community Development Director.
8. Prior to issuance of building permit, all Planning fees associated with permit #24-0145 shall be paid in full.
9. Prior to issuance of building permit, the developer shall pay Affordable housing impact fees as required to assure compliance with the City of Capitola Affordable Housing Impact Fee Ordinance.
10. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District, and Central Fire Protection District.
11. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code

Chapter 13.16 Storm Water Pollution Prevention and Protection. Site runoff shall not drain onto adjacent parcels or over sidewalks.

12. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).
13. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.
14. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.
15. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B
16. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.
17. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
18. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
19. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
20. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.
21. Prior to issuance of building permits, the building plans must show that the existing overhead utility lines will be underground to the nearest utility pole.
22. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including all outdoor lighting shall be shielded and directed downward



such that the lighting is not directly visible from the public right-of-way or adjoining properties.

- 23. Prior to a Building Department final and/or issuance of a Certificate of Occupancy, final inspections by the Planning and Public Works Departments are required.
- 24. Prior to a issuance of a Certificate of Occupancy, the property owner shall file with the county recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the present owner and stating that:
  - a. The accessory dwelling unit may not be used for vacation rentals; and
  - b. The accessory dwelling unit shall not be sold separately from the primary dwelling; and
  - c. For junior accessory dwelling units:
    - i. The dwelling shall be restricted to the allowable size; and
    - ii. The property owner must occupy occupancy either the primary dwelling unit or the junior accessory dwelling unit on the property.
  - d. The deed restriction shall lapse upon removal of the accessory dwelling unit.

**B. 1955 41<sup>st</sup> Avenue, Unit B-8**

Project Description: Application #24-0470. APN: 034-261-53. Conditional Use Permit for a wine bar with indoor and outdoor seating that serves a small plates menu and offers live music (Type 42 License). The building is located within the C-R (Regional Commercial) zoning district.

This project is not in the Coastal Zone.

Environmental Determination: Categorical Exemption

**Recommended Action:** Consider Application #24-0470 and approve the project based on the attached Conditions and Findings for Approval.

**Senior Planner Frolich presented the staff report.**

**Public Comment: None**

**Motion to approve Item 7B: Commissioner Howard**

**Second: Commissioner Kieu**

**Voting Yea: Commissioners Howard, Kieu, Westman, Vice Chair Christiansen, Chair Estey**

**Conditional Use Permit Findings:**

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

Community Development Staff and the Planning Commission have reviewed the project. The sale of alcohol for on-site consumption at a bar or lounge is categorized as a conditional use within the C-R (Regional Commercial) zoning district.

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

Community Development Staff and the Planning Commission have reviewed the proposed business location and plan to offer beer and wine for onsite consumption, and it complies with the intent of the C-R zoning district.

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

Community Development Staff and the Planning Commission have reviewed the

proposed use and determined it is consistent with the commercial center, existing uses in the vicinity, and future mixed use within mall redevelopment.

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

Community Development Staff and the Planning Commission have reviewed the proposed Conditional Use Permit and determined it will not be detrimental to the public health, safety, or welfare.

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

The proposed wine bar is part of a building that has a mix of tenants and is adequately served by utilities, services, and infrastructure.

**F. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section 15301 of the CEQA Guidelines exempts minor alterations to existing facilities, such as licensing, provided the project involves negligible or no expansion of use. The proposed project involves a conditional use permit within an existing commercial space to include the sale of beer and wine for onsite consumption. No adverse environmental impacts were discovered during project review by either Planning Department Staff or the Planning Commission.

**Conditions of Approval:**

1. The Conditional Use Permit allows a beer and wine establishment with on-site consumption at 1955 41<sup>st</sup> Avenue, unit B-8. The Conditional Use Permit is approved as outlined in the analysis of the staff report reviewed and approved by the Planning Commission on January 22, 2025, except as modified through conditions imposed by the Planning Commission during the hearing.
2. The applicant shall maintain an active business license with the City of Capitola. The applicant shall maintain an active license through the California Department of Alcoholic Beverage Control (ABC) so long as alcohol is sold.
3. Prior to opening, all Planning fees associated with permit #24-0470 shall be paid in full.
4. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
5. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Capitola Municipal Code Chapter 17.156.
6. Conditional Use Permits are issued to the underlying property. An approved Conditional Use Permit may be assigned to future tenants of the same tenant space. The Conditional Use Permit shall expire and become void if the permitted use is abandoned or discontinued for one year or longer. The permit cannot be transferred off the site on which the approval was granted.
7. No signs are approved as part of this application. The applicant shall apply for a Building Permit, prior to installation of exterior signage.

8. Prior to live entertainment on the property, the applicant shall obtain and maintain an Entertainment Permit pursuant to Chapter 5.24 issued by the Police Department.
9. Prior to construction, a building permit shall be secured for any renovation or modifications to the tenant space authorized by this permit. Kitchen equipment, ventilation systems, and grease trap systems may require plan review or additional permits issued by the Fire Department, Health Department, or Sanitation Department.
10. Patio furniture shall have high-quality, durable materials that can withstand inclement weather. All outdoor furniture shall be maintained or replaced including but not limited to tables, chairs, umbrellas, heating equipment, etc. If signs of weathering (fading, rust, holes, etc.) are visible, the item(s) shall be replaced immediately. Umbrellas shall be made with a UV rated fabric and may not include logos, labels, or advertising.
11. Bicycle parking shall be provided for two short-term bike parking spaces. The location, design and specifications of the bike parking spaces/racks shall be included in the plans for Building Permit plan check.

**8. Director's Report**

*Director Herlihy announced that the February 6<sup>th</sup> Planning Commission is cancelled due to lack of items on the agenda. In addition, she provided updates on the Highway 1 southbound ramp at Bay Avenue, which is scheduled to open in the next 2-3 weeks; the Rispin Park Project, which is on hold due to an issue with a PG&E power pole; reminded Commissioners of the previously mentioned community meeting February 25<sup>th</sup>; informed Commissioners of an upcoming training opportunity through the League of California Cities; and advised the Commission that the City Council will be making an appointment to fill the Council vacancy at their meeting on January 30<sup>th</sup>.*

9. **Adjournment** – The meeting was adjourned at 6:47 PM. The next regularly scheduled meeting of the Planning Commission will be on March 6<sup>th</sup> at 6:00 PM.

# City of Capitola

## Planning Commission Meeting Minutes

### Monday, March 03, 2025 – 6:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Chairperson:** Paul Estey

**Commissioners:** Courtney Christensen, Matthew Howard, Nathan Kieu, Susan Westman

1. **Roll Call and Pledge of Allegiance** - *The meeting was called to order at 6:00PM. In attendance: Commissioners Kieu, Westman, Christensen, and Chair Estey. Absent: Commissioner Howard.*
2. **Additions and Deletions to the Agenda** – *The Deputy City Clerk announced that four emails had been received as additional materials for Item 6A.*
3. **Oral Communications**
  - *David Staks*
4. **Planning Commission/Staff Comments**
  - *Chair Estey commented on the growing concern of residents of the erosion on Grand Ave.*
  - *Director Herlihy announced that the RTC is hosting a community meeting on March 4th from 6-7:30 PM at New Brighton Middle School.*
5. **Consent Calendar**
  - A. **RTC CDP for Park Avenue**  
 Project Description: Request to Continue Application #25-0056. APN: 036-201-02. Coastal Development Permit to construct approximately 1,300 linear feet of fencing along a coastal bluff. The project is located within the CF (Community Facility) zoning district. This project is in the Coastal Zone and requires a Coastal Development Permit which is appealable to the California Coastal Commission after all possible appeals are exhausted through the City.  
 Environmental Determination: Categorical Exemption  
 Property Owner: Santa Cruz Regional Transportation Commission  
 Representative: Riley Gerbrandt, RTC, Filed: 1/28/25  
**Recommended Action:** Continue item to a date uncertain.  
  
**Motion to approve the request to continue Application #25-0056: Commissioner Westman**  
**Second: Vice Chair Christensen**  
  
**Voting Yea: Commissioners Kieu, Westman, Vice Chair Christiansen, Chair Estey**  
**Absent: Commissioner Howard**
6. **Public Hearings**
  - A. **Multifamily Residential Zoning**  
 Project Description: Potential amendments to the Multifamily Residential (RM) zoning district and development standards to implement Housing Element Program 1.6.  
 Property Owner: Zoning Code amendments would apply to RM properties citywide.  
 Representative: Ben Noble Consultant; Sean Sesanto, Associate Planner

**Recommended Action:** Receive update on potential RM zoning district amendments to implement Housing Element Program 1.6 and provide direction on preferred approach to the amendments.

**Ben Noble presented the staff report.**

**The Commission asked for clarification on the potential amendments to multifamily residential zoning.**

**Public Comments:**

- **Keith Cahalen**
- **Speaker**
- **Tony Young**
- **Speaker**
- **Maddy Hesler**
- **Liz**
- **Robin**
- **Tessa Tuttman**
- **Suzanne**
- **Janine Roth**
- **Cheryl Van**
- **Kevin Maquire**
- **Mark**
- **David Staks**

**The Commission discussed potential amendments to the Multifamily Residential Zoning designation and provided suggestions to staff for density allowance at the seven proposed development sites. The Commission asked that notification postcards be sent out to residents for any rezoning proposal.**

**B. 309 Capitola Avenue**

Project Description: Application #25-0093. APN: 035-172-06. Conditional Use Permit and Wall Sign for a wine tasting room with retail sales (Type 02 License - Winegrower). The building is located within the MU-V (Mixed Use Village) zoning district. The location is in the Coastal Zone, but this application does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: Lawrie Properties

Applicant: Joeseoph Miller – Rexford Winery, Filed: 01/16/25

**Recommended Action:** Consider Application #25-0093 and approve the project based on the attached Conditions and Findings for Approval.

**Senior Planner Froelich presented the staff report.**

**The applicants introduced themselves and explained their application and business model.**

**Public Comments: None**

**Motion to approve Application #25-0093 based on the Conditions and Findings of Approval: Vice Chair Christensen**

**Second: Commissioner Kieu**

**Voting Yea: Commissioners Kieu, Westman, Vice Chair Christiansen, Chair Estey**

**Absent: Commissioner Howard**

**Conditional Use Permit Findings:**

- A. The proposed use is allowed in the applicable zoning district.  
Tasting rooms and retail alcohol sales are categorized as a conditional use within the MU-V (Mixed-Use Village) zoning district. Conditional Uses require Planning Commission review at a noticed public hearing.
- B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.  
Community Development Staff and the Planning Commission have reviewed the proposed business location and plan for retail sales of wine with onsite tasting, and it complies with the intent of the MU-V zoning district.
- C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.  
Community Development Staff and the Planning Commission have reviewed the proposed use and determined it is consistent with the existing uses in the vicinity, and future uses within the MU-V zone.
- D. The proposed use will not be detrimental to the public health, safety, and welfare.  
Community Development Staff and the Planning Commission have reviewed the proposed Conditional Use Permit and determined it will not be detrimental to the public health, safety, or welfare.
- E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.  
The proposed retail and wine tasting business is in an area well served by pedestrian and vehicular access and is adequately served by utilities, services, and infrastructure.
- F. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).  
Section 15301 of the CEQA Guidelines exempts minor alterations to existing facilities, such as licensing, provided the project involves negligible or no expansion of use. The proposed project involves a conditional use permit within an existing commercial space to include tasting and the retail sale of wine. No adverse environmental impacts were discovered during project review by either Planning Department Staff or the Planning Commission.

**Conditions of Approval:**

- 1. The Conditional Use Permit allows a wine sales and tasting establishment at 309 Capitola Avenue. The Conditional Use Permit is approved as outlined in the analysis of the staff report reviewed and approved by the Planning Commission on March 3, 2025, except as modified through conditions imposed by the Planning Commission during the hearing.
- 2. The applicant shall maintain an active business license with the City of Capitola. The applicant shall maintain an active license through the California Department of Alcoholic Beverage Control (ABC) so long as alcohol is sold.
- 3. A copy of the approved Department of Alcoholic Beverage Control (ABC) Permit must be filed with the Community Development Department prior to initiating on-site beer and wine sales. The Conditional Use Permit is limited to a duplicate Type 02 license through

the ABC. A proposed change in the type of liquor licensed issued by ABC will necessitate approval of an amendment to the Conditional Use Permit.

4. Prior to opening, all Planning fees associated with permit #-25-0093 shall be paid in full.
5. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
6. This permit shall expire 24 months from the date of issuance. The applicant shall have started business operations before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Capitola Municipal Code Chapter 17.156.
7. Conditional Use Permits are issued to the underlying property. An approved Conditional Use Permit may be assigned to future tenants of the same tenant space. The Conditional Use Permit shall expire and become void if the permitted use is abandoned or discontinued for one year or longer. The permit cannot be transferred off the site on which the approval was granted.
8. The applicant shall apply for a Building Permit, prior to installation of exterior signage.
9. There shall be no amplified sound or music inside the business that can be audible outside of the business.
10. No outdoor displays, uses or seating are permitted with this permit.
11. The area open to customers for tasting shall be limited to no more than one hundred sixty square feet.

**7. Director's Report**

*Director Herlihy updated the Planning Commission on the southbound Highway 1 onramp opening after being delayed; the Coastal Commission has reviewed the City's Zoning Code updates and a hearing is anticipated in May to get the updates certified; City staff has been working on the Wharf long-term plan and concepts will be brought forth to City Council at the March 13th meeting, public outreach for feedback will begin after City Council review; City Council will be reviewing an annexation application for 1610 Bulb Ave at their March 13th meeting; the City is moving forward with a Housing Rehabilitation Program with potential partnership with Habitat for Humanity that will focus on protecting existing affordable housing stock; reminded the Commission and the public of the RTC community meeting on March 4th at New Brighton Middle School.*

**8. Adjournment –** *The meeting adjourned at 8:19 PM. The next regularly scheduled meeting of the Planning Commission is on April 3rd, 2025, at 6:00 PM.*

# Capitola Planning Commission

## Agenda Report



**Meeting:** April 3, 2025

**From:** Community Development Department

**Address:** 115 San Jose Avenue

**Project Description:** Permit #25-0139. APN# 035-221-18 &19. Proposed amendments to the Master Conditional Use Permit for the mixed-use Capitola Mercantile to modify the outdoor seating plan and remove a condition prohibiting live entertainment. The site is in the MU-V (Mixed-Use Village) zoning district.

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

Environmental Determination: Categorical Exemption

**Recommended Action:** Consider Permit #25-0139 and approve the amendments to the Master Conditional Use Permit with the modified conditions of approval.

**Property Owner:** Capitola Associates, LLC

**Representative:** Dennis Norton, filed: 03.11.2025

**Background:** The subject property is centrally located within the Capitola Village between San Jose Avenue and the Esplanade. The Capitola Mercantile contains 12 commercial tenant spaces, totaling 7,788 square feet, which are currently a mix of retail, entertainment, and restaurant establishments. The development also includes the adjacent building at 107 San Jose Avenue which includes a two-story structure with a 1,185-square-foot residential space on the second floor, a 535-square-foot garage, and the Left Coast Sausage Worx business. The Mercantile is surrounded by one- and two-story structures with retail, restaurant, hotel uses, and several residential units.

The Capitola Mercantile is currently operating with a Master Conditional Use Permit (MCUP #24-0036) that was last approved by the Planning Commission on May 2, 2024. The MCUP outlines the types of uses that are permitted in the tenant spaces, how the shared common areas can be used, parking, and establishes operational conditions of approval for the Mercantile property (Attachment 1).

**Discussion:** A Master Conditional Use Permit (MCUP) explicitly allows a variety of principally permitted and conditionally permitted uses as permitted uses within a specific location. A tenant may change one use to another use administratively if the proposed use is established as an allowed use in the MCUP. MCUPs are regulated under Capitola Municipal Code (CMC) §17.124.100 "Master conditional use permits – Tenant use permits."

MCUPs are useful to an owner/property manager of a large, multi-tenant property during tenant turnover and to have a uniform set of conditions that regulate the entire property rather than individual tenants pursuing permits for a specific tenant space within a broader development. MCUPs also allow tenants to receive staff level approval for pre-approved types of uses that may have otherwise required a Conditional Use Permit and public hearing, saving time for new tenants. In the case of the Mercantile, each tenant's customers are able to jointly use the common spaces of the property's 'shared premises' without having to accommodate additional onsite parking. Also, small scale (takeout) restaurants are able to apply for administrative permits to establish sales of beer and wine. The Mercantile MCUP does specify that up to 50% of tenant spaces in the Mercantile can be utilized for businesses that serve beer and wine.



### Shared Premises

The MCUP allows all Capitola Mercantile businesses to utilize the interior and exterior quasi-public seating areas as 'shared premises' (Attachment 2). These areas include the quasi-public seating areas in the lobby through the center of the building, an outdoor patio adjacent to the main entrance to the building along Esplanade (Patio B), and a small outdoor patio adjacent to the southwest entrance adjacent to the Esplanade.

With the 2024 MCUP approval, the Planning Commission included conditions that limited seating in Patio B to four tables and 16 seats and also prohibited the property from live amplified entertainment.

The applicant is requesting changes to two MCUP conditions of approval. The conditions are currently read as follows:

*11. Patio B, as noted on the Shared Premises Plan, shall be limited to four tables and 16 chairs.*

*12. Amplified sounds associated with live performances is prohibited on the premises.*

Building code standards for occupancy and egress must be considered in the layout for dining areas. Patio B is approximately 530 square feet. Building code requires a six-foot-wide egress path of travel which removes 140 square feet from the patio use space leaving a net area of 390 square feet for seating. The City's Building Official has calculated occupancy of Patio B at 26 maximum occupants. This is a ratio of 15 square feet per person.

The applicant now proposes a flexible/open seating plan for Patio B with furniture that includes a mix of wine barrel style high-top tables matched with grey metal barstools and black metal picnic tables with matching chairs. The applicant requests the flexibility to rollout different arrangements of furniture depending on season and demand while understanding the maximum occupancy is 26 persons at Patio B. All furniture is weather resistant and intended for outdoor use. A photo of patio furniture is included as Attachment #4.

Planning staff recommends that condition #11 be modified as follows:

11. Patio B, as noted on the Shared Premises Plan, shall be limited to ~~four tables and 16~~ a maximum of 26 seats chairs. The patio furniture shall have high-quality, durable materials that can withstand inclement weather. If signs of weathering (fading, rust, holes, etc.) are visible, the item(s) shall be replaced in-kind immediately. Overtime, if the applicant would like to modify the patio furniture, they must first receive written approval from the Community Development Director or Planning Commission.

Condition #12 was added at the May 2, 2024, meeting to prohibit amplified sound. There was also concern about the compatibility with nearby uses, particularly the Capitola Hotel. As currently written, the condition allows ambient music but does not allow live entertainment. The applicant is requesting that live entertainment be allowed during the day. The applicant communicated their intentions for live entertainment with the adjacent hotel ownership and received a letter of support for live entertainment between the hours of 11am and 7pm (Attachment #7). Additionally, the Capitola Police Department typically reviews and issues annual Entertainment Permits for Village businesses that offer live entertainment. The Police Department has confirmed that the Mercantile had an Entertainment Permit for the years 2022 and 2023 and there are no records of complaints or calls for service during that time.

Planning staff recommends that condition #12 be modified as follows:

12. ~~Amplified sounds associated with live performances is prohibited on the premises.~~ The applicant shall obtain and maintain an Entertainment Permit pursuant to Chapter 5.24 issued

by the Police Department for all live entertainment at the property. Live entertainment is prohibited between the hours of 7pm – 11am.

Modification to condition #12 prompts clarification of ‘Shared Premises’ condition #8, which currently reads:

*8. Entertainment provided shall not be audible beyond the area under the control of the licensee(s) as depicted on the most recently certified ABC-257*

Planning staff recommends the following amendment:

8. ~~Entertainment~~ Ambient music provided shall not be audible beyond the area under the control of the licensee(s) as depicted on the most recently certified ABC-257

The property owner’s representative and the property manager have both written letters for Planning Commission consideration in Attachments #5 and #6 respectively.

**CEQA:** The project is categorically exempt under Section 15301 of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations. The proposed project involves minor changes to operations and conditions of approval. No adverse environmental impacts were discovered during the project review by either Planning Department Staff or the Planning Commission.

**Master Conditional Use Permit Findings:**

- A. The proposed use is allowed in the applicable zoning district.**  
The MU-V zone allows the uses operating on the subject property.
- 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.**  
The proposed changes to operational conditions do not significantly alter the use of the site in a way that would create conflict with adopted local laws or policies.
- 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.**  
The shared use area is conditioned to require closure by 10 pm which is compatible with the existing mixed-use land uses in the vicinity. Conditions of approval regarding hours of operation are included in the permit to minimize possible noise impacts on neighbors. The applicant has performed outreach to neighboring property owners and has received support of the proposal. Additionally, live entertainment is subject to an annual review and reissuance of an Entertainment Permit by the Police Department, which provides another opportunity to minimize impacts in an ongoing basis.
- D. The proposed use will not be detrimental to the public health, safety, and welfare.**  
The proposal to amend conditions does not introduce any new customer area that has not been similarly used by past tenants and the potential impacts to public health, safety, and welfare to adjacent residents and businesses are mitigated by the conditions of approval.
- E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.**  
The proposed use is conditionally permitted in the MU-V zone. Potential impacts to nearby residents and businesses have been considered and conditions of approval have been added to mitigate potential impacts. The site is adequately served by existing services and infrastructure.

**Attachments:**

1. MCUP uses, restrictions, and conditions with recommended edits (underline and strike)
2. Shared Premises Plan
3. Proposed Open Seating Area – Patio B
4. Photo of proposed patio furniture
5. Letter – Owner’s Representative
6. Letter – Property Manager
7. Letter of Support – Capitola Hotel

Report Prepared By: Brian Froelich, Senior Planner

Reviewed By: Rosie Wyatt, Deputy City Clerk

Approved By: Katie Herlihy, Community Development Director



## **Master Conditional Use Permit**

*115 San Jose Avenue*

This Master Conditional Use Permit (MCUP) explicitly allows the uses listed below within the two structures located at 115 San Jose Avenue: the Capitola Mercantile (APN - 035-221-18) and the adjacent structure to the south (APN - 035-221-19). A tenant within may change one use to another use by acquiring a tenant use permit administratively from the City if the proposed use is established as an allowed use in the MCUP.

On May 7, 2020, the City of Capitola Planning Commission determined that the following uses, with applicable restrictions and conditions, are compatible with the master use and the surrounding properties (#19-0186).

On May 2, 2024, the City of Capitola Planning Commission approved amendments to the Master Conditional Use Permit (#24-0036).

On April 3, 2025, the City of Capitola Planning Commission approved amendments to the Master Conditional Use Permit (#25-0139).

### Allowed Uses

1. Retail business establishments
2. Personal service establishment
  - Including but not limited to: Nail/Hair Salon, Massage, Health Spa
3. Beach rental equipment
4. Art galleries
5. Antique sales
6. All permitted uses within the zoning district
7. Take-out restaurants including, but not limited to: fruit and vegetable stand, meat and fish market, candy and ice cream, local home food products, coffee roaster, oyster bar and seafood, baked goods, and spices and herbs.
  - Maximum of six seats.
  - Maximum of 160 square feet of area open to customers for consumption.
8. Restaurant use with six or more seats
  - Limited to Suites 109 and 110. Suite 110 may expand kitchen area into Suite 111.
9. Business establishments/tasting rooms that sell or dispense beer and/or wine.
  - Maximum of six seats
  - Maximum of 160 square feet of area open to customers for consumption
  - Required to obtain a Letter of Necessity and Convenience from the Capitola Chief of Police.
  - All new businesses that sell or dispense beer and/or wine, including beer and/or wine manufacturer tasting rooms, would require a California Department of Alcoholic Beverage Control (ABC) license.
  - Not more than 50% of the combined leasable commercial floor area of the Mercantile

(3,894 square feet) may be utilized for this use type, not including ‘shared premises’ areas.

- Note: This use type does not include businesses that sell or dispense distilled spirits. These types of businesses would require an ABC license and a Conditional Use Permit with Planning Commission approval.

10. Commercial entertainment establishments, such as theaters and amusement centers

- Maximum suite size of 1,400 square feet

11. Residential and Vacation Rental

- Second story residential only
- Requires Vacation Rental license

List of Suites with Specifically Permitted Uses

Suite #	Sq. Ft.	Specifically Permitted Uses
101	324	
102	634	
103	189	
104	313	
105	974	
106	451	
107	314	Approved CUP for beer/wine.
108	768	
109	578	Restaurant with beer/wine.
110	877	Restaurant with beer/wine. May expand kitchen into Suite 111.
111	1,001	CUP expired.
APN - 035-221-19 Apartment	1,185	Residential/Vacation Rental Allowed
APN - 035-221-19 Commercial Suite	180	Left Coast Sausage Restaurant with beer and wine.

‘Shared Premises’ Areas for Alcohol

The Master Conditional Use Permit includes ‘shared premises’ areas for some businesses that sell beer and wine, which allows them to utilize the interior and exterior quasi-public seating areas as a ‘shared premises’ for consumption of beer and wine. The California Department of Alcoholic Beverage Control (ABC) established conditions for ABC permit applicants at this location (see below), as well as the extent of the ‘shared premises’ areas where consumption of alcohol will be allowed. These ‘shared premises’ areas include:

1. The quasi-public seating areas in the lobby in the center of the building (shared premises area “A”);
2. A proposed outdoor patio adjacent to the northwest entrance to the building (shared premises area “B”); and
3. A small proposed outdoor patio adjacent to the southwest entrance to the building (shared premises area “C”).

The ‘shared premises’ areas are identified on the approved site plan.

Businesses wishing to utilize the ‘shared premises’ shall apply for a Type 41 – On Sale Beer & Wine – Eating Place (or a beer or wine manufacturer) license with specific conditions related to the shared premises. The conditions include:

1. Alcoholic beverages shall be sold and served in containers that are distinctive in design or color and are easily distinguishable from containers used in the service of non-alcoholic beverages;
2. Petitioner(s) will only serve their alcohol beverages in containers which shall significantly differ in appearance from those containers utilized by any other licensees located in the Capitola Mercantile. Customers that purchase cans or bottles for onsite consumption shall be provided with distinctive containers;
3. A sign shall be posted in a conspicuous space at the entrance/exit point of said patio/terrace/other area, which shall state, “NO ALCOHOLIC BEVERAGES BEYOND THIS POINT”. Said sign shall measure no less than seven inches by eleven inches (7” x 11”) and contain lettering no less than one (1) inch height;
4. No alcoholic beverages shall be consumed on any property adjacent to the licensed premises under the control of the licensee(s) as depicted on the most recently certified ABC-257 and ABC-253;
5. Any violations of the law occurring on the licensed premises as depicted on the most recently certified ABC-257, constituting grounds for suspension or revocation of a license shall be deemed to be the act and responsibility of all licensees therein licensed within the premises;
6. Petitioner(s) shall actively monitor the area under their control in an effort to prevent the loitering of persons on any property adjacent to the licensed premises as depicted on the most recently certified ABC-253;
7. Sales, service and consumption of alcoholic beverages shall be permitted in or on the patio area only between the hours of 8am to 10pm each day of the week;
8. ~~Entertainment~~ Ambient music provided shall not be audible beyond the area under the control of the licensee(s) as depicted on the most recently certified ABC-257; and

Once licensed, all licensees are responsible for the shared premises, including any violations of the law occurring on the licensed premises.

#### Conditions of Master Use Permit

1. Prior to the leasing of any space upon the subject property, the holder of the master use permit must inform all prospective tenants, or tenants renewing or extending leases, of the conditions of the master use permit and of the requirements of Capitola Municipal Code (CMC) §17.124.100.
2. Tenant use permits are approved administratively by the community development director. Prior to leasing a space, the prospective business owner must apply for a tenant use permit from the City of Capitola. Tenant use permits shall be approved by the community development director upon inspection of the property, and verification that it and its landscaping are in good repair, and that all other conditions of the master use permit are being met.
3. A tenant use permit may be revoked in the manner provided in CMC §17.156.110 if the tenant is the cause of violation of a condition of the master use permit.

4. No tenant use permits may be issued for any activity-use that will occupy over twelve thousand square feet of building area.
5. Not more than 50% of the combined leasable commercial floor area of the Capitola Mercantile (3,894 square feet) may be utilized for business establishments that sell or dispense alcoholic beverages, not including 'shared premises' areas.
6. The garbage area shall be maintained to prevent odors and provide screening from the street and screening from adjacent neighbors.
7. Outdoor lighting that is not required for safety/egress on the building shall be turned off within half an hour of the closing time of the business.
8. Food and beverage equipment and supplies (including kegs) shall be stored inside the building. Exterior storage is prohibited.
9. New food and beverage tenants shall obtain all required approvals and final inspections from the Santa Cruz County Department of Environmental Health, prior to opening.
10. An onsite restroom shall be available to customers at all times during business hours.
11. Patio B, as noted on the Shared Premises Plan, shall be limited to ~~four tables and 16 a~~ maximum of 26 seats chairs. The patio furniture shall have high-quality, durable materials that can withstand inclement weather. If signs of weathering (fading, rust, holes, etc.) are visible, the item(s) shall be replaced in-kind immediately. Overtime, if the applicant would like to modify the patio furniture, they must first receive written approval from the Community Development Director or Planning Commission.
12. ~~Amplified sounds associated with live performances is prohibited on the premises. The~~ applicant shall obtain and maintain an Entertainment Permit pursuant to Chapter 5.24 issued by the Police Department for all live entertainment at the property. Live entertainment is prohibited between the hours of 7pm – 11am.
13. Outdoor string lighting shall be consistent with the standards established for Prototype Street Dining Decks.

Item 6 A.

NO. 1	DATE	BY
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NO. 32	DATE	BY

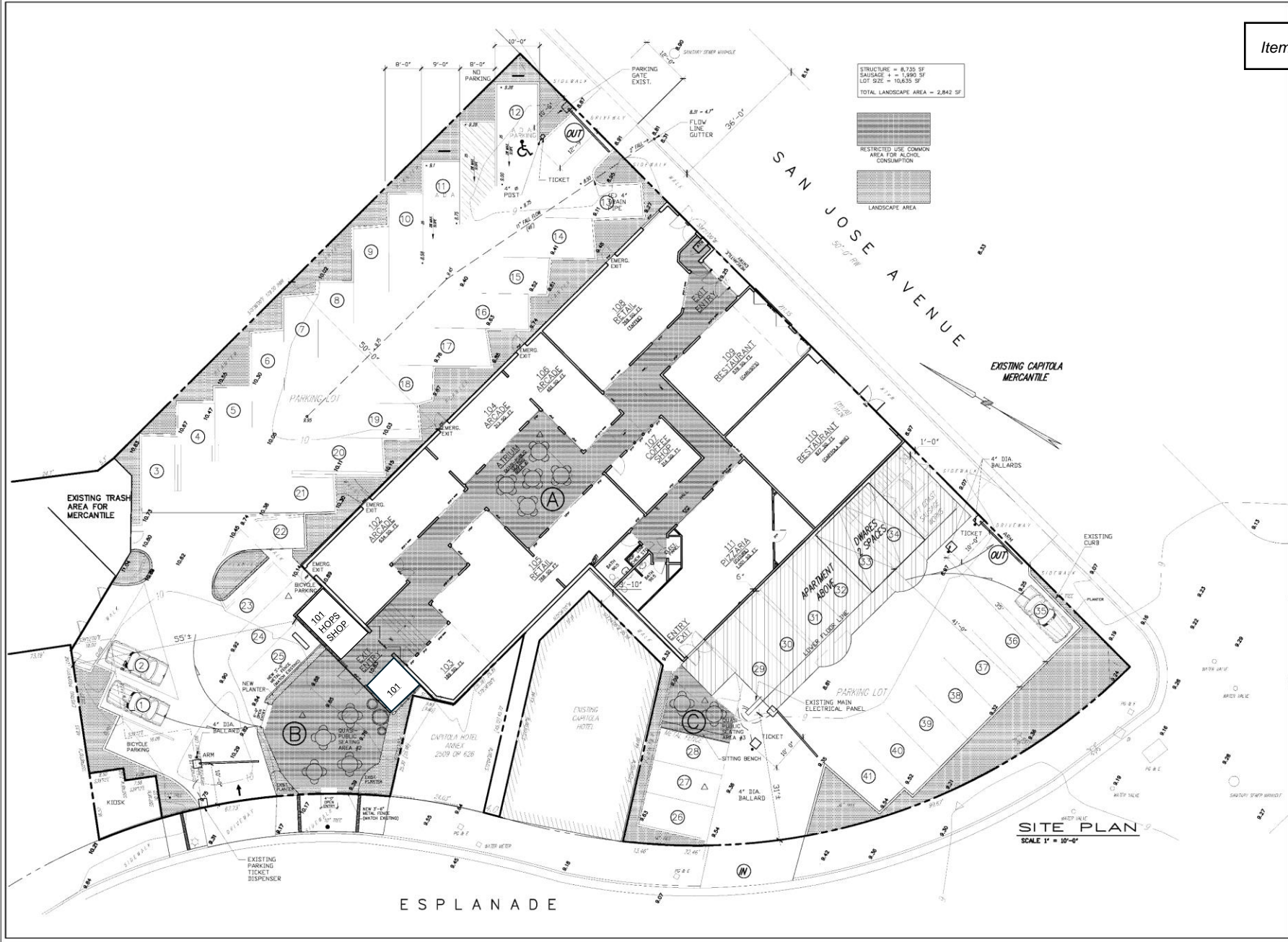
**OWNER**  
 CAPITOLA MERCANTILE  
 115 SAN JOSE AVE.  
 CAPITOLA, CA 95010  
 APN 035-221-27

**DENNIS NORTON**  
 HOME DESIGN AND PROJECT PLANNING  
 712 CAPITOLA AVENUE, CAPITOLA, CALIFORNIA 95010  
 PHONE 831 478 2818 FAX 831 478 2818  
 WEBSITE: www.dennisonortongroup.com

**SITE PLAN**

DRAWN: GG  
 SCALE: 1"=10'-0"  
 JOB NO. MERC  
 DATE: 07/25/19

**2**



STRUCTURE = 8,735 SF  
 SAUSAGE = 1,000 SF  
 LOT SIZE = 10,635 SF  
 TOTAL LANDSCAPE AREA = 2,842 SF



**SITE PLAN**  
 SCALE 1" = 10'-0"

ESPLANADE

SAN JOSE AVENUE



Item 6 A.

24

25

ATH 324.50

EXIT ENTRY 10.83

306.8

306.8

1

9.88

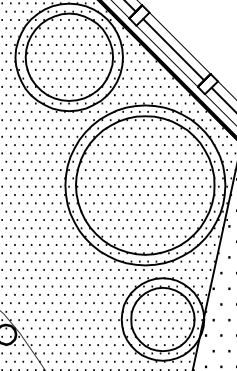
9.85

9.84

6'-0" OPEN ENTRY

OPEN SEATING AREA

PATH OF TRAVEL



9.76

OPEN SEATING AREA

MAXIMUM OCCUPANCY 26 PERSONS

572'04" W

25.30 [25.48]

TOTAL

A

EXIST. PLANTER

EXIST. PLANTER

9.39

4'-0" OPEN ENTRY

10.17



3-12-2025

City of Capitola

Planning and Community Development

Re: Capitola Mercantile Music and outdoor seating

To whom it may concern

We are requesting that Capitola Mercantile be allowed 8 outside tables in Patio B and be allowed Amplified sounds associated with live performances.

This was removed from the function of the Mercantile at the Planning Commission meeting of May 2024. Project application #24-0036. This is restoring a use that has been present and active for the past 12 years at this location outside the Mercantile entrance, at Patio B, with support from Capitola Police Department.

Thank You for your consideration

Andy South *- President*

Southstar *P. M. Inc.*  
*Agent for Owner*



**Froelich, Brian**

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**From:** Josh Fisher <joshfisher831@gmail.com>  
**Sent:** Thursday, March 20, 2025 8:26 AM  
**To:** Froelich, Brian  
**Subject:** Fwd: Mercantile Music

City of Capitola Planning,

This email is to support the allowing of music in front of the Mercantile between the hours of 11am - 7pm Friday through Monday and Wednesday. We have been ensured they will work with us at the Capitola Hotel to not create an environment that would disturb our hotel guests.

Please contact if you need anything further from me as the owner of the Capitola Hotel.

Thanks,  
Dharmesh Patel  
408-497-1222

----- Forwarded message -----

**From:** Dharmesh Patel <[dmeshpatel@yahoo.com](mailto:dmeshpatel@yahoo.com)>  
**Date:** Thu, Mar 20, 2025, 4:30 AM  
**Subject:** Mercantile Music  
**To:** <[Joshfisher831@gmail.com](mailto:Joshfisher831@gmail.com)>  
**Cc:** Bhavana Patel

**Froelich, Brian**

---

**Subject:** Mercantile Music

---

**From:** Josh Fisher <joshfisher831@gmail.com>  
**Sent:** Monday, March 24, 2025 10:43 AM  
**To:** Froelich, Brian <bfroelich@ci.capitola.ca.us>  
**Subject:** Re: Mercantile Music

To the Planning Commission and Dept, Judge, Jury 😊 and any other appropriate parties...

For those of you that don't know me my name is Josh Fisher.

I am the property manager of the Capitola Village Mercantile and parking lots for the past 11 years with a short break between March 2016 and September 2017.

I also manage and operate the Mercantile Arcade since its inception in September 2019.

I own and operate Left Coast Sausage Worx since January 2016.

I had a coffee shop within the Mercantile from January 2020-January 2025.

I truly care about the Mercantile and The Village and am fully invested here. I make my money here and i spend my money here.

I am a board member of the Capitola/Soquel Chamber of Commerce since 2018.

I am a board member of the CVWBIA(Capitola Village and Wharf Business Improvement Association) since 2015.

I am a board member of the Capitola Public Safety Foundation(Capitola Foundation) since 2018.

Most locals refer to me as the Unofficial Mayor of Capitola!!

First off thank you for being here today and thank you for your time and consideration for this crucial matter.

In late January of 2024, the business at the front of the Mercantile named Little Koes Beach Bites closed down to focus on family and catering and a new business went into the space at the front of the Mercantile.

His business was called The Hops Shop, a classy beer garden. The owner has 5 other locations over hill and was extremely excited to open up here in Capitola Village. All of his other locations are VERY succesful.

Unfortunetly due to permit issues and City Burocrecy he was unable to open by March 17th goal of St Paddys day. Then the biggest blow to his business was the random decision by Planning Commision at the end of the meeting when there was no public comment allowed, to take away our rights to have live music on the patio as we have had for at least the last 11 years, if not since the first music permit was issued some 40 years ago.

When Little Koes was open he had live music almost every weekend and some weekdays. It immidietly helped business flourish. He never had any issues with police or Sound Ordinance Infractions.

In fact we at the Mercantile have NEVER had any sound ordinance issues to my knowledge over the past 40 years and forsure none over the last 11 years while I have been manager.

Our current music permit states that outdoor music shall be termintated by 9pm and kept at a reasonable DB level during the day not to bother other tenants or businesses.

We are asking the Planning Commision to allow us to have outdoor music on the patio again!!

BUT REMEMBER we are not asking for anything new, we are asking to get it BACK like we ALREADY had it before and to appease the masses Im willing to change the times and days music is allowed as well.

I digress, as the takeaway of music was the final nail in the coffin of the Hops Shop, as he closed his business in Jan 2025. This is horrible. Cause and Effect right in front of our noses.

Also, one of the main reasons I had to close my coffee shop was due to low foot traffic within the building and no music out front had direct corralation to us closing.

However, I have taken over the lease of the Beer Garden and hope to recreate the thriving scene we once had at the front of the Mercantile.

We are offering the following suggestion to the amendments:

live music from 11am-7pm instead of 9-9 as legally allowed and only on Friday, Saturday, Sunday, Monday and Wednesday, with NO live music out side on Tue and Thur.

We had and have support from our recent retired CPD Chief Dally, support from our current Chief Ryan, support from our Mayor Joe Clark, with him specificaly stating that:

"the Village is not the same without lots of live music as that helps all businesses around and creates a vibrant scene for all".

We also have support from our Property Managment Co, Southstar PM and support from the Capitola Hotel, our closest neighbor with lots of people staying there. Also I live closest to the front space and my wife and I and our kids support live music.

We are not intending on having Metal or Punk shows here. These will be family friendly musicians from Jazz and Blues and funk to Rock and roll and classic rock and americana and soul and reggae and more.

Please, I ask and beg of you not to kill my business before we even get started as we are hoping to have our grand opening between May 1st and 15th.

Thank you so much for your time and hearing me out.

Please make the right decision and amend #12(I think thats the right number) to allow live music on the patio to the days and times I have suggested.

Thank you.

Josh Fisher

Buisness Owner, Resident, Concernd Citizen, Community Volunteer, Unofficial Mayor and Liazion to the Public.

# Capitola Planning Commission

## Agenda Report

**Meeting:** April 3, 2025

**From:** Community Development Department

**Address:** 231 Esplanade, suite #102



**Project Description:** Application #25-0138. APN: 035-211-01. Conditional Use Permit Modification to change from a beer and wine liquor license to full liquor (Type 41 to Type 47). The building is located within the MU-V (Mixed Use Village) zoning district.

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

Environmental Determination: Categorical Exemption

**Recommended Action:** Consider Application #25-0138 and approve the project based on the attached Conditions and Findings for Approval.

**Property Owner:** La Serena Properties

**Representative:** Kat Cannon, Filed: 3/10/25

**Background:** City records for 231 Esplanade show Conditional Use Permits (CUP) dating back into the 1990's that allow alcohol sales associated with different restaurants over the years. Records also show that some restaurants have served full liquor while others have operated with a beer and wine license. In July 2024, Pete's Restaurant opened at 231 Esplanade. The restaurant applied for a Conditional Use Permit modification to change from a beer and wine license (Type 41) to full liquor license (Type 47). In the Mixed-Use Village zoning district, the sale of alcoholic beverages for on-site consumption at a restaurant requires a conditional use permit (CUP). Existing approvals are exclusively for beer and wine, so the addition of full alcohol sales requires an amendment to the CUP.

**Discussion:** 231 Esplanade is a mixed-use property with three restaurants and three living units. Pete's Restaurant is a sit-down establishment with a seafood focused menu, occupying approximately 2,800 square feet that includes two outdoor seating areas. The restaurant is in the heart of the Capitola Village and is surrounded by a variety of commercial and residential uses.

**Conditional Use Permit:** Pursuant to 17.124.060, when evaluating a CUP, the Planning Commission must 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.

And, pursuant to 17.124.070, the Planning Commission must make the following findings when approving a CUP:

- 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.

In issuing a conditional use permit, the Commission may attach conditions to achieve consistency with the general plan, zoning code, and any applicable specific plan or area plan adopted by the City Council.

The restaurant currently has a Type 41 license for “On Sale Beer and Wine – Eating Place”. The applicant is seeking an “On Sale General – Eating Place” Type 47 license. Type 47 licenses also allow the sale of distilled spirits for on-site consumption. Both license types allow the sale of beer and wine for on- or off-site consumption (retail), provided the establishment produces and makes substantial sales from the on-site consumption of meals. The applicant is not proposing to expand the size of the restaurant, but to include bar service for tabled patrons. Proposed service hours are between noon to 8:30 pm.

The Chief of Police has reviewed the application and made findings to support the approval of the CUP for a Type 47 license at the restaurant. In the review, the Chief did not recommend any additional restrictions or conditions. Staff prepared new conditions which replace the 1998 approval to reflect more recent CUP approvals for alcohol (see below). The conditions address issues associated with restaurants serving alcohol including trash, lighting, litter, graffiti, and outdoor storage.

Parking: The modified alcohol approval is not considered an intensification of use and does not require changes to parking.

**CEQA:** Section 15301 of the CEQA Guidelines exempts minor alterations to existing facilities, such as licensing, provided the project involves negligible or no expansion of use. The proposed project involves amending a conditional use permit within an existing commercial space to include the sale of distilled spirits. No adverse environmental impacts were discovered during project review by either Planning Department Staff or the Planning Commission.

#### **Conditional Use Permit Findings:**

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

Community Development Staff and the Planning Commission have reviewed the project. The general sale of alcohol for on-site consumption is categorized as a conditional use within the MU-V (Mixed-Use Village) zoning district.

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

Community Development Staff and the Planning Commission have reviewed the proposed sale of beer, wine, and distilled spirits at an existing restaurant and determined it complies with applicable standards and meets the intent and purpose of the MU-V zoning district.

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

Community Development Staff and the Planning Commission have reviewed the proposed use and determined it is consistent with the underlying restaurant use and with existing and planned uses in the vicinity.

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

Community Development Staff, and the Planning Commission have reviewed the proposed Conditional Use Permit and determined it will not be detrimental to the public health, safety, or welfare.

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

The proposed alcohol use is part of a longstanding restaurant use, which is located within the heavily developed Capitola Village within the city and is adequately served by existing services and infrastructure.

**F. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

Section 15301 of the CEQA Guidelines exempts minor alterations to existing facilities, such as licensing, provided the project involves negligible or no expansion of use. The proposed project involves amending a conditional use permit within an existing commercial space to include the sale of distilled spirits. No adverse environmental impacts were discovered during project review by either Planning Department Staff or the Planning Commission.

**Conditions of Approval:**

1. The project approval amends the existing Conditional Use Permit for a restaurant with on-site consumption of beer and wine in addition to beer and wine at 231 Esplanade, suite #102. The proposed amendment is approved as outlined in the analysis of the staff report reviewed and approved by the Planning Commission on April 3, 2025, except as modified through conditions imposed by the Planning Commission during the hearing.
2. The applicant shall maintain an active business license with the City of Capitola. The applicant shall maintain an active license through the California Department of Alcoholic Beverage Control (ABC) so long as alcohol is sold.
3. Prior to sale of distilled spirits, all Planning fees associated with permit #25-0138 shall be paid in full.
4. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
5. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved liquor license from ABC and begin serving before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Capitola Municipal Code Chapter 17.156.
6. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved permit may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
7. Garbage and recycling containers shall be placed out of public view on non-collection days.
8. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward such that the lighting is not directly visible from the public right-of-way or adjoining properties.
9. The applicant is responsible for maintaining the area directly in front of the business free from litter and/or graffiti.

10. Food and beverage equipment and supplies (including kegs) shall be stored inside the building.  
Exterior storage is prohibited.

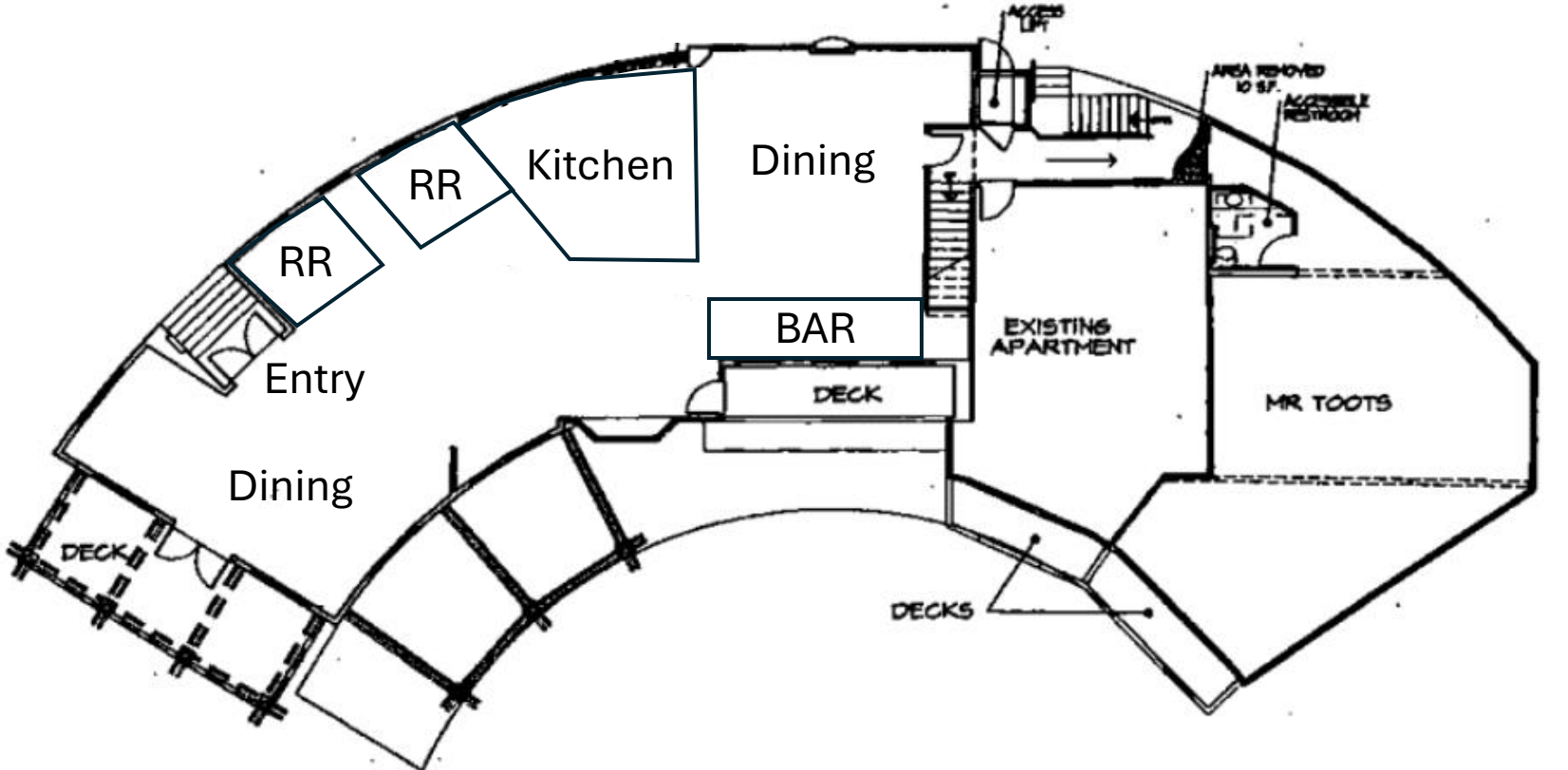
**Attachments:**

1. Floor Plan
2. Business Letter

Report Prepared By: Brian Froelich, Senior Planner

Reviewed By: Rosie Wyatt, Deputy City Clerk

Approved By: Katie Herlihy, Community Development Director



PROPOSED SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"

4120 SF.

1

NORTH



March 11th, 2025

To: City of Capitola

Business Plan for Pete's Liquor License Upgrade

Pete's is applying for an upgrade from a beer and wine (Type 41) license to a full liquor (Type 47) license. Sunset Hospitality has successfully managed Margaritaville, located below Pete's, for the past ten years, demonstrating a commitment to responsible and cooperative business practices. Since opening in 2024, Pete's has aimed to enhance the local food and beverage scene, and a liquor license will allow for a more complete dining experience with craft cocktails and premium spirits. This upgrade will attract a broader customer base, support local businesses, and create new job opportunities while maintaining strict compliance with all alcohol regulations, staff training, and community engagement. With a focus on responsible service and positive economic impact, we respectfully request the City of Capitola's approval of this application.

Sincerely,



Kat Cannon  
Sunset Hospitality Group  
Operations  
831.476.2263

# Capitola Planning Commission

## Agenda Report

**Meeting:** April 3, 2024

**From:** Community Development Department

**Address:** Housing Element Annual Progress Report



**Project Description:** Housing Element Annual Progress Report

**Recommended Action:** Accept staff presentation

**Background:** The Housing Element Annual Progress Report (APR) is a required submission to the California Department of Housing and Community Development (HCD) that tracks the City's progress in implementing its Housing Element and meeting its Regional Housing Needs Allocation (RHNA) goals. The APR provides details on housing production, permit activity, and implementation of housing programs. The report is due to HCD and the Governor's Office of Planning and Research (OPR) by April 1 each year.

On March 27, 2025, the City Council received a presentation on the APR and directed staff to submit the report to HCD.

**Discussion:** As part of Capitola's 6th Cycle Housing Element (2023–2031), the City has committed to various programs and policies to facilitate housing production, affordability, and preservation. The APR includes data on building permits issued, housing unit completions, and updates on housing programs. The report also helps ensure compliance with state housing laws and maintains eligibility for state funding opportunities.

Staff will present the highlights of the APR at the Planning Commission meeting. The APR is included as Attachment 1.

### **Attachments:**

1. Capitola Housing Element Annual Progress Report

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Rosie Wyatt, Deputy City Clerk

Approved By: Katie Herlihy, Community Development Director

<b>Jurisdiction</b>	Capitola	
<b>Reporting Year</b>	2024	(Jan. 1 - Dec. 31)
<b>Housing Element Planning Period</b>	6th Cycle	12/15/2023 - 12/15/2031

<b>Building Permits Issued by Affordability Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	25
	Non-Deed Restricted	0
Low	Deed Restricted	10
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		13
<b>Total Units</b>		<b>48</b>

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

<b>Units by Structure Type</b>	<b>Entitled</b>	<b>Permitted</b>	<b>Completed</b>
Single-family Attached	0	0	0
Single-family Detached	10	1	0
2 to 4 units per structure	0	2	0
5+ units per structure	52	36	0
Accessory Dwelling Unit	8	9	7
Mobile/Manufactured Home	0	0	0
<b>Total</b>	<b>70</b>	<b>48</b>	<b>7</b>

<b>Infill Housing Developments and Infill Units Permitted</b>	<b># of Projects</b>	<b>Units</b>
Indicated as Infill	11	48
Not Indicated as Infill	0	0

<b>Housing Applications Summary</b>	
Total Housing Applications Submitted:	13
Number of Proposed Units in All Applications Received:	21
Total Housing Units Approved:	18
Total Housing Units Disapproved:	0

<b>Use of SB 423 Streamlining Provisions - Applications</b>	
Number of SB 423 Streamlining Applications	0
Number of SB 423 Streamlining Applications Approved	0

<b>Units Constructed - SB 423 Streamlining Permits</b>			
<b>Income</b>	<b>Rental</b>	<b>Ownership</b>	<b>Total</b>
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Streamlining Provisions Used - Permitted Units</b>	<b># of Projects</b>	<b>Units</b>
SB 9 (2021) - Duplex in SF Zone	0	0
SB 9 (2021) - Residential Lot Split	0	0
AB 2011 (2022)	0	0
SB 6 (2022)	0	0
SB 423 (2023)	0	0

<b>Ministerial and Discretionary Applications</b>	<b># of Applications</b>	<b>Units</b>
Ministerial	5	6
Discretionary	8	15

<b>Density Bonus Applications and Units Permitted</b>	
Number of Applications Submitted Requesting a Density Bonus	0
Number of Units in Applications Submitted Requesting a Density Bonus	0
Number of Projects Permitted with a Density Bonus	0
Number of Units in Projects Permitted with a Density Bonus	0

<b>Housing Element Programs Implemented and Sites Rezoned</b>	<b>Count</b>
Programs Implemented	99
Sites Rezoned to Accommodate the RHNA	0



Jurisdiction	Capitola	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	12/15/2023 - 12/15/2031

**ANNUAL ELEMENT PROGRESS REPORT  
Housing Element Implementation**

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.  
Please contact HCD if your data is different than the material supplied here

Table B														
Regional Housing Needs Allocation Progress														
Permitted Units Issued by Affordability														
		1	2										3	4
Income Level		RHNA Allocation by Income Level	Projection Period - 06/30/2023-12/14/2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	430	-	-	25	-	-	-	-	-	-	-	25	405
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-		
Low	Deed Restricted	282	-	-	10	-	-	-	-	-	-	-	10	272
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-		
Moderate	Deed Restricted	169	-	-	-	-	-	-	-	-	-	-	9	160
	Non-Deed Restricted		8	1	-	-	-	-	-	-	-	-		
Above Moderate		455	-	-	13	-	-	-	-	-	-	-	13	442
Total RHNA		1,336												
Total Units			8	1	48	-	-	-	-	-	-	-	57	1,279
Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).														
		5											6	7
		Extremely low-income Need		2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Units to Date	Total Units Remaining
Extremely Low-Income Units*		215		-	25	-	-	-	-	-	-	-	25	190

**Table D**

**Program Implementation Status pursuant to GC Section 65583**

**Housing Programs Progress Report**

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	Facilitate the development of 1,336 housing units over 8 years	2031	There are adequate sites in the Housing Inventory and staff continues to monitor no not less.
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	Maintain an inventory of available vacant and prospective sites that can accommodate new housing; update annually.	Annually	The Housing Inventory is available on the City's website. It contains available vacant and prospective sites that can accommodate new housing.
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	Meet with property owners and interested developers to pursue housing development in the City.	Annually	Staff hosted two developer interest meetings in 2024 and two developer interest meetings in 2025.
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	Develop formal procedure to monitor no net loss in capacity pursuant to SB166	2024	The City adopted Municipal Code section 17.96.220 for No net loss of housing element sites
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	Develop strategies to provide for missing middle housing, such as conversion of second story commercial/office space, live/work housing, and duplex/triplex	End of 2025	<p>strategies which provide for missing middle housing, including: The City adopted Ordinance 1066 in 2024 which amends the Zoning Code to develop strategies which provide for missing middle housing, including:</p> <ul style="list-style-type: none"> <li>*Allows duplexes on corner parcels within the R-1 (Single-Family) zone. §17.16.020</li> <li>*Eliminates the requirement for covered parking for multi-family housing. §17.76.030</li> <li>*Reduces the minimum required parking for multi-family housing depending on size. Existing parking requirement of 2.5 parking spaces per unit is reduced to between 1-to-2 spaces/unit. §17.76.030</li> <li>*Establishes micro-units as an allowed use with reduced parking requirements (1/unit). When micro-units are within one-quarter mile of a major transit stop or high quality transit corridor, minimum required parking is reduced to .5/unit. §17.76.030</li> <li>*Micro-units located within the C-C (Community Commercial) or C-R (Regional Commercial) zone include special incentives including increasing the maximum allowed height from 40 feet to 50 feet and the maximum allowed Floor Area Ratio (FAR) from 1.0 to 1.5. §17.24.030(K)</li> <li>*Defines Cohousing and establishes as an allowed use within all residential zones. Table 17.16-1 (Permitted Land Uses); §17.160.020(C)</li> </ul>

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	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	End of 2025	The City adopted Ordinance 1066 in 2024 which develop strategies to provide for missing middle housing: *Incentives for lot consolidation on adjacent opportunity sites (HE Table 4-3) within the MU-N (Mixed-Use Neighborhood) zone, including increased height limits (varies dependent on land use) and an increased allowed Floor Area Ratio (FAR) from 1.0 to 1.5 for all uses. §17.20.040(K); Table-17.20-4 (Lot Consolidation Bonus) *Incentives for lot consolidation on adjacent opportunity sites (HE Table 4-3) within the C-C (Community Commercial) zone, including increased height limit from 40 feet to 50 feet and an increased allowed Floor Area Ratio (FAR) from 1.0 to 1.5. §17.24.030(J); Table 17.24-4 (C-C Lot Consolidation Bonus)
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	As part of the Zoning Ordinance update by the end of 2025 remove the Affordable Housing Overlay from the Zoning Code and Zoning Map.	End of 2025	The City adopted Ordinance 1066 in 2024 which removed the Affordable Housing Overlay from the Zoning Code Table 17.12-2 (Overlay Zones); §17.36.080(H)(1); §17.40.020 and the Zoning Map.
Program 1.1 Adequate Housing Sites and Monitoring of No Net Loss	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.	Jun-26	Pending 2026
Program 1.2 Replacement Housing	By December 2024, amend the Zoning Code to address the replacement housing requirements.	2024	The City adopted Ordinance 1066 in 2024 which added Section 17.96.210 Demolition and replacement of dwelling units.
Program 1.3 Accessory Dwelling Units (ADUs)	Facilitate the development of 50 ADUs over 8 years.	Annually	The City continues to facilitate the development of ADUs with the goal of 50 ADUs over 8 years. In 2024, the city issued building permits for 9 ADUs.
Program 1.3 Accessory Dwelling Units (ADUs)	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).	2024	In 2024 staff updated city website with ADU resources such as the \$40,000 grant for pre-development costs available to lower income homeowners through California Housing Finance Agency (CalHFA). <a href="https://www.cityofcapitola.org/communitydevelopment/page/accessory-dwelling-units">https://www.cityofcapitola.org/communitydevelopment/page/accessory-dwelling-units</a>
Program 1.3 Accessory Dwelling Units (ADUs)	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.	2024	In 2024 staff posted a Fair Housing Factsheet which is now included in the ADU webpage and application packet to inform property owners of their responsibility to comply with state and federal fair housing laws to city website. <a href="https://www.cityofcapitola.org/sites/default/files/fileattachments/community_development/page/2412/fair-housing-fact-sheet_eng_1.pdf">https://www.cityofcapitola.org/sites/default/files/fileattachments/community_development/page/2412/fair-housing-fact-sheet_eng_1.pdf</a>
Program 1.3 Accessory Dwelling Units (ADUs)	Beginning in 2025 and every three years thereafter, update the ADU Resource Guide.	Dec-25	Pending 2025

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.3 Accessory Dwelling Units (ADUs)	Beginning in 2025, and every three years thereafter, update Capitola ADU Prototype Building Plans to comply with building code updates.	Dec-25	Pending 2025
Program 1.3 Accessory Dwelling Units (ADUs)	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.	Dec-25	Pending 2025
Program 1.3 Accessory Dwelling Units (ADUs)	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.	2027	Pending 2027
Program 1.4 Mixed-Use Developments	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.	Annually	Staff hosted two developer interest meetings in 2024.
Program 1.4 Mixed-Use Developments	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.)	Dec-25	Pending 2025
Program 1.4 Mixed-Use Developments	Utilize the City's newly established Objective Design Standards to streamline review of mixed-use developments.	Annually	In 2022, the City adopted Ordinance 1053 which established Objective Design Standards to streamline review of mixed-use developments. These objective standards have been utilized for the review of mixed-use developments.
Program 1.4 Mixed-Use Developments	By December 2025, incentive development of affordable housing on commercial sites along transit corridors.	Dec-25	Pending 2025

1 Name of Program	2 Objective	3 Timeframe in H.E	4 Status of Program Implementation
Program 1.4 Mixed-Use Developments	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.	Annually	The city continues to monitor all mixed use development activities to identify unforeseen barriers that should be addressed and incorporate additional incentives that may be needed. In 2024, the City adopted Ordinance 1066 which included updates to remove barriers from housing within the mixed use districts. - City adopted Lot consolidation incentives for adjacent opportunity sites, which includes mixed-use projects (see explanation under Program 1.1)
Program 1.5 Alternative Housing	Continue to work with local mobile home park residents, owners, and the state to improve mobile home park affordability and sustainability.	Annually	In 2023, the City adopted Ordinance 1060 which introduced Section 2.18 Mobile Home Park Rent Stabilization. The City continues to work with local mobile home park residents, owners, and the state to improve mobile home park affordability and sustainability.
Program 1.5 Alternative Housing	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.	Dec-25	The City adopted Ordinance 1066 in 2024 which develop strategies to provide for alternative housing types within the single-family, mixed use, and commercial zoning districts. *Defines Cohousing and establishes as an allowed use within all residential zones. Table 17.16-1 (Permitted Land Uses); §17.160.020(C) *Establishes micro-units as an allowed use with reduced parking requirements (1/unit). When micro-units are within one-quarter mile of a major transit stop or high quality transit corridor, minimum required parking is reduced to .5/unit. If the project is also within the C-C (Community Commercial) zone and C-R (Regional Commercial), the maximum allowed height is increased from 40 feet to 50 feet and the maximum allowed Floor Area Ratio (FAR) is increased from 1.0 to 1.5. §17.24.030(K)
Program 1.6 Development Regulations	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.	Dec-25	Pending 2025
Program 1.6 Development Regulations	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.	Dec-25	Pending 2025
Program 1.6 Development Regulations	Include reduced parking standards for senior and special needs housing.	Dec-25	In 2024 the City adopted Ordinance 1066 which included reduced parking standards for Residential Care Facilities including transitional and supportive housing, and age-restricted senior housing.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.6 Development Regulations	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. . Additional amendments to Chapter 17.88 will include height allowances up to 75 feet for the Capitola Mall parcels.	Dec-25	Pending 2025
Program 1.6 Development Regulations	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.	Dec-25	In 2024 the City adopted Ordinance 1066 which establishes duplexes as an allowed use on corner lots within the R-1 district. Table 17.16-1 (Permitted Land Uses)
Program 1.7 Shopping/Commercial Center Redevelopment	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.	2024	In 2024, the City completed a study identifying strategies to initiate mall redevelopment. The findings of the study were presented to the City Council on October 10, 2024.
Program 1.7 Shopping/Commercial Center Redevelopment	By the end of 2025, develop land use policies to facilitate shopping center redevelopment with a strong sense of urban design cohesion.	Dec-25	Pending 2025.
Program 1.7 Shopping/Commercial Center Redevelopment	By the end of 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.	Dec-25	Pending 2025

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.7 Shopping/Commercial Center Redevelopment	Annually contact property owners and developers with experience in shopping center redevelopment to pursue redevelopment opportunities.	Annually	City staff will continue to contact property owners and developers with experience in shopping center redevelopment to pursue redevelopment opportunities.
Program 1.7 Shopping/Commercial Center Redevelopment	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 6th Cycle RHNA requirement.	Annually	The city is committed to the redevelopment of the Capitola Mall and continues to reach out to the mall owner in the effort toward developing housing on the site.
Program 1.7 Shopping/Commercial Center Redevelopment	Beginning in 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.	2026	Pending 2026
Program 1.8 Religious Facility Housing	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.	Dec-25	In 2024, the City adopted Ordinance 1066 which clarified state law and applicable development standards that 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.
Program 1.8 Religious Facility Housing	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.	2026	Pending 2026
Program 1.8 Religious Facility Housing	Support the funding applications by educational and religious institutions in pursuing funding for affordable housing.	Ongoing	The city will support funding applications by educational and religious institutions in pursuing funding for affordable housing. This effort is ongoing.
Program 1.8 Religious Facility 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.	2027	Pending 2027

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.9 SB 9 Support	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.	2024	The City developed a guidance document regarding SB9 available on the City website and at City Hall: <a href="https://www.cityofcapitola.org/sites/default/files/fileattachments/community_developm ent/page/1457/sb9_guidance_document.pdf">https://www.cityofcapitola.org/sites/default/files/fileattachments/community_developm ent/page/1457/sb9_guidance_document.pdf</a>
Program 1.9 SB 9 Support	By December 2023, the City will begin providing technical assistance to the public about the SB 9 process.	2023	Ongoing
Program 1.9 SB 9 Support	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.	2024	In 2024 staff posted a Fair Housing Factsheet which is now included on the city webpage and application packet to inform property owners of their responsibility to comply with state and federal fair housing laws to city website. The fact sheet includes information regarding homeowners' associateions being preempted by state law. <a href="https://www.cityofcapitola.org/sites/default/files/fileattachments/community_developm ent/page/2412/fair-housing-fact-sheet_eng_1.pdf">https://www.cityofcapitola.org/sites/default/files/fileattachments/community_developm ent/page/2412/fair-housing-fact-sheet_eng_1.pdf</a>
Program 1.9 SB 9 Support	The City will aim to facilitate 10 SB 9 applications in the eight-year planning period (2023-2031).	2031	The City has updated SB9 regulations which reflect state law and has published information to provide guidance on SB9 applications. The City aims to facilitate 10 applications during the eight-year period. The City's website contains an SB 9 Guidance Document to help applicants considering an SB 9 development or Urban Lot Split. §17.75
Program 1.10: Housing on Publicly and Quasi-Publicly Owned Land	Facilitate discussions between the school district and nonprofit developers for potential residential opportunities	2025	Pending 2025
Program 1.10: Housing on Publicly and Quasi-Publicly Owned Land	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.	2025	Pending 2025
Program 1.10: Housing on Publicly and Quasi-Publicly Owned Land	Explore coordination with quasi-publicly owned sites that fall under the provisions of SB 4 (when signed).	2025	Pending 2025
Program 1.10: Housing on Publicly and Quasi-Publicly Owned Land	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.	2027	Pending 2027



1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 2.1 Mobile Home Park Assistance	Annually monitor the effectiveness of the rent stabilization ordinance in preserving affordability of mobile home park rents.	Annually	In 2023, the City adopted Ordinance 1060 which introduced Section 2.18 Mobile Home Park Rent Stabilization. The City continues to monitor the effectiveness of the rent stabilization ordinance in preserving affordability of mobile home parks.
Program 2.1 Mobile Home Park Assistance	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.	Annually	The City has one one independently owned mobile home park, Cabrillo Mobile Home Park. The City adopted a mobile home park rent stabilization ordinance in 2023. At this time the owner is not interested in selling the park, however City staff continues to track opportunities for potential acquisition by the tenants should the opportunity arise.
Program 2.1 Mobile Home Park Assistance	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.	Annually	The City had one one independently owned mobile home park without affordability controls, Cabrillo Mobile Home Park. The City adopted a mobile home park rent stabilization ordinance in 2023. At this time the owner is not interested in selling the park, however City staff continues to track opportunities for potential acquisition by the tenants should the opportunity arise.
Program 2.1 Mobile Home Park Assistance	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.)	Annually	No conversions of mobile home park use were contemplated in 2024.
Program 2.1 Mobile Home Park Assistance	Identify necessary infrastructure improvements as part of the acquisition or conversion process.	Annually	No acquisition or conversion of mobile home parks were contemplated in 2024.
Program 2.2 Affordable Housing Monitoring	Maintain contact with property owners of affordable housing regarding any change in status/intent or need for assistance, such as rehabilitation assistance.	Annually	The City has reached out to Dakota Apartments to offer rehabilitation assistance. The City Council authorized the use of affordable housing funds to initiate a HOME PI rehabilitation for the site. This effort began in 2024 and an application to the state is expected in 2025, however the owner of the apartments has been slow to provide the necessary documentation for the Home PI funds.
Program 2.2 Affordable Housing Monitoring	Maintain the AB 987 database to include detailed information on all subsidized units, including those that have affordability covenants. Update annually	Annually	The City maintains an AB 987 database which includes detailed information on all subsidized units, including those that have affordability covenants. The database will be updated annually.
Program 2.3 Preservation of Rental Housing	Annually investigate new funding and financing opportunities to encourage the acquisition/rehabilitation of existing rental housing and conversion into long-term affordable housing.	Annually	City Staff continues to investigate new funding and finance opportunities to encourage the acquisition/rehabilitation of existing rental housing and conversion into long-term affordable housing.
Program 2.3 Preservation of Rental Housing	Pursue one acquisition/rehabilitation project over 8 years. (Preservation of existing rental housing)	2031	The City has reached out to Dakota Apartments to offer rehabilitation assistance. The City Council authorized the use of affordable housing funds to initiate a HOME PI rehabilitation for the site. This effort began in 2024 and an application to the state is expected in 2025, however the owner of the apartments has been slow to provide the necessary documentation for the Home PI funds.
Program 2.4 Housing Choice Vouchers	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.	2031	The City continues 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.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 2.4 Housing Choice Vouchers	Annually promote the HCV (Housing Choice Vouchers) 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.	Annually	The City updated the City Affordable Housing webpage to promote a variety of housing programs available to Capitola residents including the Housing Choice Vouchers administered by the Housing Authority of Santa Cruz County. The webpage included an explanation of the program and a link to the Housing Authority application and website.
Program 2.5 Affordable Housing Development	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	Ongoing	In 2024, the City adopted Ordinance 1066 which updated the City's Density Bonus regulations to comply with state law. The City continues to facilitate the development of affordable housing through the provisions of regulatory concessions including the approval of a 52 unit 100% affordable development at 1098 38th Avenue. In 2025, the City will update the Incentives for Community Benefits Ordinance
Program 2.5 Affordable Housing Development	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.	Annually	City staff continues to collaborate with non-profit organizations, private developers, employers, special needs groups, state and federal agencies and other interested parties to pursue affordable housing projects. In 2024, the City met with a mix of interested parties related to housing production on a regular basis.
Program 2.5 Affordable Housing Development	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.	Annually	Staff continues to monitor federal and state funding sources available for affordable housing projects. Available funding through PLHA and successor agency are being utilized to finance the new 52 unit, 100% affordable housing development at 1098 38th Avenue.
Program 2.5 Affordable Housing Development	Facilitate the development of 430 very low and 282 low-income affordable units over 8 years.	2031	The city has identified sites within the 6th Cycle Housing element which can support the development of 430 very low and 282 low income affordable units of the 8 year period.
Program 2.5 Affordable Housing Development	Regularly update the City's Density Bonus Ordinance to include updates in state law.	Annually	In 2024, the City adopted Ordinance 1066 which updated the City's Density Bonus regulations to comply with state law. §18.02
Program 2.5 Affordable Housing Development	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.	Annually	The City continues to encourage developers and contractors to evaluate hiring local labor.
Program 2.6 Public Outreach for Housing and Community Development Activities	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.	Annually	In 2024, the City had multiple Planning Commission and City Council meetings regarding updates to the housing element sites inventory. Public outreach to interested parties and public noticing occurred prior to each meeting.

1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 2.6 Public Outreach for Housing and Community Development Activities	At least quarterly, update the City website to provide accurate and up-to-date information regarding public hearings, community events, and City projects.	Quarterly	The City website is updated weekly related to providing accurate and up-to-date information regarding public hearings, community events, and City projects.
Program 2.6 Public Outreach for Housing and Community Development Activities	Organize community workshops for large development projects.	Ongoing	In 2024, the developer for the 52 unit 100 percent affordable development at 1098 38th Avenue hosted a community workshop at the direction of staff. This community meeting occurred within the City's community center.
Program 2.7 Housing Trust Fund	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.	Dec-25	Pending 2025
Program 2.7 Housing Trust Fund	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.	As market conditions change	This effort is ongoing. The city last updated the housing impact fees in 2022 based on a nexus study. The city is committed to updating the study in 2026.
Program 2.8 Inclusionary Housing Ordinance	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.	2026	This effort is ongoing. The city last updated the housing impact fees in 2022 based on a nexus study. The city is committed to updating the study in 2026.
Program 2.8 Inclusionary Housing Ordinance	Analyze the zoning and development standards to determine if there are constraints that affect the economic feasibility of affordable rental housing development.	Annually	This effort is ongoing. The city last updated the housing impact fees in 2022 based on a nexus study. The city is committed to updating the study in 2026.
Program 2.8 Inclusionary Housing Ordinance	Facilitate the development of 430 very low and 282 low-income affordable units over 8 years.	2031	The city has identified sites within the 6th Cycle Housing element which can support the development of 430 very low and 282 low income affordable units of the 8 year period.

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Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 3.1 Emergency Shelters and Low Barrier Navigation Centers	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.	2024	In 2024 the City adopted Ordinance 1066 which amended 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. The ordinance also amended the definition of emergency shelters to include interim housing options such as navigation centers, and recuperative and respite care. §17.96.030
Program 3.1 Emergency Shelters and Low Barrier Navigation Centers	Work with the appropriate organizations to ensure the needs of homeless and extremely low-income residents are met.	Ongoing	City staff continues to work with a mix of organizations within Capitola and throughout Santa Cruz county to ensure the needs of homeless and extremely low-income residents are met. The City also participates in the regional Santa Cruz County Housing for Health, which serves as the federally-designated Continuum of Care (CoC) for Santa Cruz County and coordinates resources, programs and services focused on preventing and ending homelessness. The H4HP is a collaboration of five public jurisdictions in Santa Cruz County (the County and the cities of Santa Cruz, Watsonville, Capitola and Scotts Valley) along with housing and service providers, people with lived experience of homelessness and other stakeholders.
Program 3.1 Emergency Shelters and Low Barrier Navigation Centers	Prioritize funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible.	Annually	The City continues to prioritize funding and other available incentives for projects that provide housing for homeless and extremely low-income residents whenever possible. Funding has been allocated by the city toward the local shelters, emergency rental assistance program, food assistance for low income households, and funding toward the development of the 52 unit, 100% affordable development at 1098 38th avenue.
Program 3.2 Transitional and Supportive Housing	By December 31, 2024, amend the Zoning Code to address the provision of transitional and supportive housing consistent with state law.	2024	In 2024, the City adopted Ordinance 1066 which amended the Zoning Code to address the provision of transitional and supportive housing consistent with state law. *Further defines transitional housing but maintains classifications as a use within Residential Care Facilities. Large Residential Facilities change from a Conditional to Permitted use within the RM and MU-V zones. Tables 17.16-1, Table 17.20-2, and Table 17.24-1 (Permitted Land Uses); §17.160.020(T)(5)
Program 3.3 Employee Housing and Farm Worker Housing	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.	2024	In 2024, the City adopted Ordinance 1066 which amended 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. Removal of Conditional Use Permits for Urban Farm activities and revised definition of "Single-family dwelling" to include employee housing. §17.160.020(S)(5)
Program 3.4 Housing for Persons with Disabilities	By December 31, 2025, amend the Zoning Code to permit licensed large residential care facilities in zones where residential uses are permitted similar to other residential uses of the same type in the same zone.	Dec-25	In 2024, the City adopted Ordinance 1066 which amended the Zoning Code to permit licensed large residential care facilities in zones where residential uses are permitted similar to other residential uses of the same type in the same zone. *Revises criteria for reasonable accommodations §17.140.070

1 Name of Program	2 Objective	3 Timeframe in H.E	4 Status of Program Implementation
Program 3.4 Housing for Persons with Disabilities	By December 31, 2025, amend the Zoning Code to review the separation requirement and to establish objective criteria for the approval of licensed large residential care facilities as well as reasonable accommodations.	Dec-25	In 2024, the City adopted Ordinance 1066 which amended the Zoning Code to remove the separation requirements and to establish objective criteria for the approval of licensed large residential care facilities as well as reasonable accommodations. Table 17.16-1 (Permitted Land Uses, RM); Table 17.20-1 (Permitted Land Uses, MU-V)
Program 3.4 Housing for Persons with Disabilities	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.	Annually	The City continues to seek state and federal monies in support of housing construction and rehabilitation targeted for persons with disabilities including developmental disabilities. In 2024 the City began assisting the Dakota Apartments with a rehabilitation application to utilize HOME Program Income funds to rehabilitated the aging structure. The City continues to work with the owner of the property toward a 2024 application, however the property owner has been slow in providing the necessary documentation for the application.
Program 3.4 Housing for Persons with 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.	Dec-25	Pending 2025
Program 3.4 Housing 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.	Dec-25	In 2024, the city website was updated on affordable housing webpage under other housing resources and provided information for persons with development disabilities from San Andreas Regional Center. <a href="https://www.cityofcapitola.org/communitydevelopment/page/other-housing-resources-0">https://www.cityofcapitola.org/communitydevelopment/page/other-housing-resources-0</a>
Program 3.4 Housing for Persons with Disabilities	Annually update information on housing and services available for persons with disabilities at City Hall and on the City website.	Annually	Updated city website housing and services available for persons with disabilities at City Hall and on the City website. <a href="https://www.cityofcapitola.org/communitydevelopment/page/other-housing-resources-0">https://www.cityofcapitola.org/communitydevelopment/page/other-housing-resources-0</a>
Program 3.5 Housing for Extremely Low-Income Households	Annually seek state and federal monies, as funding becomes available, in support of housing construction and rehabilitation targeted for households with extremely low incomes.	Annually	The City continues to seek state and federal monies in support of housing construction and rehabilitation targeted for persons with extremely low incomes. In 2024, the City began assisting the Dakota Apartments with a rehabilitation application to utilize HOME Program Income funds to rehabilitated the aging structure. The Dakota Apartments included 24 affordable, accessible rental apartments. All units must be rented to Lower Income (under 60% median income) or Very Low Income (under 50% median income) persons with mobility impairments, traumatic brain injury and/or severe physical disabilities, consistent with definitions under the HUD 811 program.
Program 3.5 Housing for Extremely Low-Income Households	Provide regulatory incentives, such as expedited permit processing, and fee waivers and deferrals, to projects that include housing for extremely-low income households.	Annually	This is ongoing. The City provided financial assistance to the affordable housing developers of 1098 38th Avenue, a 52 unit, 100% affordable project. The permit was expedited as a density bonus application.

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Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 3.6 Childcare and Daycare Facilities	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.	Dec-25	In 2024, the City adopted Ordinance 1066 which amended the Zoning Code to allow daycares with a minor use permit. Table 17.24-1 (Permitted Land Uses)
Program 3.6 Childcare and Daycare Facilities	By December 2024, update Density Bonus Ordinance.	2024	In 2024, the City adopted Ordinance 1066 which updated the City's Density Bonus regulations to comply with state law. §18.03
Program 4.1 Security Deposit Program	Assist 7 to 10 households per year during the planning period. (Security Deposit Program)	Annually	The Housing Authority administers the City's Emergency Housing Assistance program which offers eviction and foreclosure prevention to eligible applicants. In 2024, 12 households were provided with funding for security deposits.
Program 4.1 Security Deposit Program	Annually seek state and federal funding to expand this program. (security deposit program)	Annually	The City participates in a regional program in which we contribute revolving funds for the City's Emergency Housing Assistance program which offers eviction and foreclosure prevention to eligible applicants. At this time, there are adequate funds available to assist those in need.
Program 4.2 Emergency Rental Housing Assistance	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. (Emergency Rental Assistance Program)	Annually	The 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). In 2024, there was adequate funds available to assist all households requesting funding.
Program 4.2 Emergency Rental Housing Assistance	Utilizing the Emergency Rental Housing Assistance Program, assist 40 households per year during the planning period.	Annually	The City participates in a program in which we contribute funds for the City's Emergency Housing Assistance program which offers eviction and foreclosure prevention to eligible applicants. At this time, there are adequate funds available to assist those in need. In 2024, the City assisted 5 Capitola Households.
Program 4.3 Homebuyer Assistance	By December 2025, reinstate City homebuyer assistance program using either city or other funding sources. Assist five households during the planning period.	Dec-25	Pending 2025
Program 4.3 Homebuyer Assistance	By December 2024, update City website to provide links to homebuying resources available at CalHFA.	2024	City website was update with links to homebuyer resources from CalHFA <a href="https://www.cityofcapitola.org/communitydevelopment/page/other-housing-resources-0">https://www.cityofcapitola.org/communitydevelopment/page/other-housing-resources-0</a>

1 Name of Program	2 Objective	3 Timeframe in H.E	4 Status of Program Implementation
Program 5.1 Housing Rehabilitation Program	By December 2025, reinstate a housing rehabilitation program to provide grant assistance to lower income and special needs households.	Dec-25	Pending 2025
Program 5.1 Housing Rehabilitation Program	Annually seek federal and state grants to support a rehabilitation grant program.	Annually	Ongoing
Program 5.1 Housing Rehabilitation Program	Assist 16 seniors, disabled, and lower income households during the planning period through the Housing Rehabilitation program.	2025	Program will be established in 2025.
Program 5.2 Code Enforcement	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.	2025	The Capitola Housing Rehab Program will be established in 2025. The program will provide assistance to bring homes into compliance with health and safety building codes.
Program 5.2 Code Enforcement	Assist 16 households during the planning period through the City's Housing Rehabilitation Program.	2025	The Capitola Housing Rehab Program will be established in 2025 and will assist 16 households during the planning period.
Program 6.1 Adequate Water Supplies and Sewer Services	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.	2024	Copy of Housing Element was provided to the sewer and water provider within 30 days of adoption.
Program 7.1 Affirmatively Furthering Fair Housing	The City will undertake a series of meaningful actions to further fair housing choices in the community which are summarized above and table 5-1	Annually	Table 5.1 includes all of the programs included in this table. Please see items listed above to understand the actions the city has take to further fair housing choices.