

City of Capitola

Special Planning Commission Meeting

Agenda



Thursday, October 30, 2025 – 5:00 PM

City Council Chambers

420 Capitola Avenue, Capitola, CA 95010

Chairperson: Paul Estey

Commissioners: Matthew Howard, Nathan Kieu, TJ Welch, Courtney Christiansen

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, TJ Welch, Courtney Christiansen, and Chair Paul Estey

2. Additions and Deletions to the Agenda

[A.](#) Additional Materials Item 5A - Correspondence Received

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. 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.](#) **Capitola Mall Zoning Code Amendments**

Project Description: Capitola Mall Zoning Code Amendments

Recommended Action: Receive Report and Provide Feedback

6. Director's Report

7. Adjournment – Adjourn to the next regularly scheduled meeting of the Planning Commission on November 6, 2025 at 6:00 PM.

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/84412302975?pwd=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 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: . 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.

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/>.



Request for Responsible Mall Redevelopment and Objective Design Standards

From Kevin Maguire <kmaguire831@gmail.com>

Date Wed 10/29/2025 12:28 PM

To PLANNING COMMISSION <planningcommission@ci.capitola.ca.us>; City Clerk <cityclerk@ci.capitola.ca.us>

Cc Gerry Jensen <gjensen@ci.capitola.ca.us>; Margaux Morgan <mmorgan@ci.capitola.ca.us>; Melinda Orbach <morbach@ci.capitola.ca.us>; Clarke, Joe <jclarke@ci.capitola.ca.us>; Westman, Susan <swestman@ci.capitola.ca.us>; onlycapitola@gmail.com <onlycapitola@gmail.com>

City of Capitola Planning Commission and City Council

Subject: Request for Responsible Mall Redevelopment and Objective Design Standards

Dear Planning Commissioners and Councilmembers,

As a resident deeply committed to the future of Capitola, I write to urge you to approach the Capitola Mall redevelopment and zoning amendments with the care, clarity, and courage this moment demands. We understand the need to comply with state housing law and provide more homes. We support that goal. But we must also protect our community from unchecked development that weakens our tax base, displaces vital community spaces, and deepens the affordability crisis we are trying to solve. Mindful of infrastructure limitations, evacuation plans, Level of Service for our roads, and impact on the community.

We are at risk of building the wrong kind of housing.

The current draft envisions up to 1,777 units at the Mall—80% of which are market-rate rentals. That might pencil out for the developer, but it doesn't help the people who work in Capitola: our teachers, restaurant workers, retail clerks, or city staff. Market-rate apartments do not serve the families who are struggling now. If we allow this level of upzoning, we must demand a greater public return. This site is one of the last, best chances to deliver truly affordable homes in Capitola.

If the Mall is 100% rental housing, that will devastate Capitola. We lack basic services, our Hospitals are overwhelmed, no transit center planned, and childcare needs. If we don't set appropriate standards, then each project will add four times more market rate. We would have to build over 5000 units to meet the RHNA numbers of affordable housing.

The Mall site should prioritize people over profits.

We urge you to require that any height or density bonus be tied to deeper affordability and stronger community benefits. For example:

- Require a greater percentage of deed-restricted low-income units in exchange for 75 ft or higher buildings.
- Require a portion of the site be dedicated to 100% affordable housing, developed by a nonprofit. (If the Mall can support 1777 units, it can support the entire RHNA numbers. Can we

be creative so we provide affordable units which are the biggest needs to the community)

Item 2 A.

- Make affordable housing a required part of each phase—not something promised at the end.

The state's Housing Element law allows us to incentivize housing. It does not require us to give away height, floor area, or long-term fiscal health. HCD advised Capitola to increase feasibility at the Mall by adjusting zoning—but not to do so at the city's expense. If we are granting significant new development rights, we must expect a meaningful public return.

Objective Design Standards (ODS) must be community safeguards—not developer favors.

We appreciate that the City is working to adopt Objective Design Standards. These should apply not only to the Mall but also to the other 72 commercial sites citywide where zoning now allows unlimited residential density. These standards must be strong, detailed, and enforceable. We recommend:

- A firm height cap of 65–75 ft for the Mall, with required step-backs above 45 ft.
- Mandatory ground-floor retail or commercial use on major street frontages (e.g. 41st Avenue).
- Required square footage for public-serving uses like the children's museum and a new or enhanced transit hub.
- A minimum % of site area reserved for open space and pedestrian access.
- FAR caps (e.g., 2.0 residential, +0.5 for commercial/hotel uses) and **clear parking standards** (we already have them—keep them).

HCD called for the Mall site to be “shopping/commercial center redevelopment,” not just dense housing. That mix of uses must be guaranteed through enforceable standards, not simply encouraged by guidelines.

This project cannot bankrupt the city.

Each new housing unit is projected to cost Capitola **\$785** per year in city services. The Mall has historically been a cornerstone of sales tax revenue. If we lose retail anchors like Target without clear replacements, or if housing replaces retail without added revenue sources like hotels, we risk fiscal insolvency.

HCD also advised the city to monitor **financial feasibility**—but we ask: has the city modeled whether a financially feasible project could also exist at **55 ft or 65 ft**, with a lower FAR and preserved retail space? Has there been a side-by-side fiscal and design feasibility review of various scale scenarios? If not, we are operating on the developer's pro forma alone. That's not fiscal planning—it's wishful thinking.

Please make the Fiscal Impact Analysis a binding part of the approval process, with required mitigation before any project is approved.

Don't waste this opportunity to build what Capitola really needs.

We have a certified Housing Element and enough zoned capacity citywide to meet our RHNA targets. We are not under a **Builder's Remedy threat**. HCD has not demanded that we guarantee 1,777 units

at the Mall—they've only asked us to show it's feasible. We can scale this project to what our community and infrastructure can support while remaining in compliance.

Let's use our leverage wisely. Let's zone for what actually helps our community: **deeply affordable housing, anchored retail, hotel and hospitality space**, and services that make Capitola livable. The Mall is not just a site. It is our opportunity to model how a small city can grow responsibly, with heart and with clarity.

If **feasibility** means rooftop pools, luxury finishes, and oversized units, then of course a project 'needs' more height and density to pencil out. But affordable housing can be built to simpler, lower-cost standards. Feasibility isn't objective if it's based on maximizing profit. The city should require transparent, third-party analysis—not accept the developer's assumptions at face value."

Please rise to this occasion.

Sincerely,

Kevin Maguire

Capitola Citizen



Capitola Mall proposed rezoning.

From K Butler <krisgbutler@gmail.com>

Date Thu 10/30/2025 6:01 AM

To City Council <citycouncil@ci.capitola.ca.us>; PLANNING COMMISSION
<planningcommission@ci.capitola.ca.us>

To whom it may concern,

I am a Capitola resident, I love our community.

I am so very sad that my son, who is a High School Science teacher, can not afford to live in this community we love.

I am an RN who works in Santa Clara county. I see how so many people have to travel over 17 to obtain medical services as Santa Cruz County is very limited both in inpatient and outpatient services.

I support deeply affordable housing, not just tall luxury rentals. This county has many building projects underway to address affordable housing - please keep an eye on the tally and that these units remain in the "affordable" range after initial entry onto the market. I support strong Objective Design Standards: 65–75 ft max height, retail required on 41st, real open space, and protections for local businesses. I demand a Fiscal Impact Analysis before approvals—because \$785 per unit cost to the city is not sustainable.

Please address the underserved medical needs of our community. Your loved one may be the next vulnerable person needing medical care which is not available in SC County.

Sincerely,
Kristin Butler RN
4775 Opal Street
Capitola



Please protect OUR community

From Lisa Holden <lisaholden2005@yahoo.com>

Date Thu 10/30/2025 1:24 PM

To PLANNING COMMISSION <planningcommission@ci.capitola.ca.us>; City Council
<citycouncil@ci.capitola.ca.us>

Regarding Capitola Mall development:

I support deeply affordable housing, not tall luxury rentals. The current plan to overwhelm our already impacted traffic and roads, first responders, medical availability AND impact surrounding neighborhoods with an oversized structure negatively impacts our community and neighborhoods. We need strong Objective Design Standards: 65–75 ft max height, retail required on 41st, real open space, and protections for local businesses. A Fiscal Impact Analysis before approvals—because \$785 per unit cost to the city is not sustainable- is ESSENTIAL.

Please support our community and not further overwhelm and destroy it.

Capitola Planning Commission

Agenda Report

Meeting: October 30, 2025

From: Community and Economic Development Department

Address: Capitola Mall Zoning Code Amendments



Project Description: Capitola Mall Zoning Code Amendments

Recommended Action: Receive Report and Provide Feedback

Representative: Ben Noble, Consultant

Katie Herlihy, Community and Economic Development Director

BACKGROUND

The City of Capitola is preparing Zoning Code Amendments for the Capitola Mall property as required by the General Plan Housing Element. Program 1.7 of the Housing Element states that by the end of 2025 the City shall:

- Develop land use policies to facilitate shopping center redevelopment with a strong sense of urban design cohesion.
- Define “Capitola Mall” as all properties between Clares Street, 41st Avenue and Capitola Road
- Allow for building height up to 75 feet for mall redevelopment.
- Define “mall redevelopment” to mean a mix of uses that includes residential and retail/commercial components.
- Exclude parking garages from the project FAR calculations for mall redevelopment.
- Adopt objective development standards to facilitate mall redevelopment.

Zoning Code amendments to implement Program 1.7 need to allow for a realistic development capacity of 1,777 units on the Capitola Mall site, as identified in the Housing Element sites inventory. For the portion of the Mall property under control by Merlone Geier, the Zoning Code amendments need to allow approximately 1,100 units.

On October 2, 2025, the Planning Commission held its first study session for the Capitola Mall Zoning Code Amendments. At this meeting staff presented background information about the project and described unique design considerations for a Capitola Mall redevelopment project.

The City hosted a community meeting on October 8, 2025, to receive public input on the Capitola Mall Zoning Code Amendments. At this meeting the City answered questions about the project and asked for input on design issues related to mid-rise residential development on the Mall property. Input received at the community meeting is provided in Attachment 2.

DISCUSSION

As discussed below, City staff requests Planning Commission feedback on the following topics:

- General approach to allow greater height and FAR
- Development standards (height, FAR, and parking)
- Fiscal impact analysis
- Allowed uses (permits required and commercial use requirements)

- Objective design standards
- Public services and infrastructure

Staff also requests Planning Commission input on any other topics of interest related to the Capitola Mall Zoning Code Amendments for staff to consider prior to preparing the draft amendments.

General Approach to Allow Greater Height and FAR

Existing Requirements – Chapter 17.88

Currently, the Capitola Mall property is zoned Regional Commercial (C-R), which allows a building height of 40 feet and floor area ratio (FAR) of 1.5. However, Zoning Code Chapter 17.88 (Incentives for Community Benefits) allows 50 feet height and 2.0 FAR for projects that provide a substantial benefit to the community. Important provisions in Chapter 17.88 include the following:

- To be eligible for increased height and FAR, a project must provide one or more community benefit listed in 17.88.040. These include public open space, pedestrian and bicycle facilities, public art, among others. Specifically for the Mall property, listed benefits include new intersecting interior streets, parking lot redevelopment, transit center enhancements, and affordable housing.
- Community benefits provided must be greater than and in addition to the minimum otherwise required by the City or other public agency.
- The project applicant must submit a pro forma analysis demonstrating that the benefit of the proposed amenities to the community is commensurate with the economic value of the requested incentives.
- A project requesting increased height or FAR requires “conceptual review” by both Planning Commission and City Council to receive preliminary input on whether the request for incentives is worthy of consideration.
- To approve the increased height or FAR, the City Council must make all of the following findings:
 1. The proposed amenities will provide a substantial benefit to the community and advance the goals of the general plan.
 2. There are adequate public services and infrastructure to accommodate the increased development potential provided by the incentive.
 3. The public benefit exceeds the minimum requirements of the zoning code or any other provisions of local, state, or federal law.
 4. The project minimizes adverse impacts to neighboring properties to the greatest extent possible.
 5. If in the coastal zone and subject to a coastal development permit, the project enhances coastal resources.

Approach to Mall Zoning Code Update

Housing Element Program 1.6 states that for Mall redevelopment the City will “modify the findings required for Chapter 17.88, Incentives for Community Benefits, to meet objective standards.” Program 1.7 calls for the City to “Adopt objective development standards to facilitate mall redevelopment.”

Staff plans to take the following approach to implement the Housing Element Programs 1.6 and 1.7:

- For the Mall property, separate the allowance for 75-foot building height and 2.0 FAR (or alternative standards as discussed below) from the discretionary community benefits process in Chapter 17.88.
- Establish 75 feet and 2.0 FAR as the baseline development standards for Mall redevelopment projects that meet specified eligibility criteria and conform with objective design standards.
- Allow 75-feet building height and 2.0 FAR for residential and hotel projects that meet the following criteria:

- **Affordable Units:** A minimum of 15 percent of the dwelling units are deed restricted to affordable to lower income households and a minimum of 5 percent of the units are either deed restricted affordable to moderate income households or studio units with a kitchen and living space but without a separate bedroom. The number of affordable units must be no less than the RHNA assigned to the site.
- **Hotels.** Hotels which comply with a minimum number of guest rooms. Minimum number of rooms to be determined.
- **Objective Standards.** Projects must comply with all objective design standards.
- The existing pro forma requirement in Chapter 17.88 would no longer apply to a Capitola Mall redevelopment project. Existing requirements, including conceptual review and/or special City Council approval, could be removed as well at the direction of Planning Commission.
- Capitola Mall redevelopment projects would require a Design Permit, consistent with objective standards, and specific land uses would require a Conditional Use Permit. The permit process would include Planning Commission approval and ability to appeal to City Council.

This eligibility criteria for affordable housing described above is consistent with the Housing Element (pages 4-44 through 4-45) for the Capitola Mall site which includes 266 (15%) lower income units and 89 (5%) moderate income units. Lower income units will be deed restricted to remain lower income. Moderate income units (5%) may be, at developers' option, either moderate by deed restriction or by design as studio units. A studio unit is described in the Housing Element as a unit which includes a kitchen and living space, does not have a separate bedroom, and is smaller than a one-bedroom unit.

The Housing Element also includes 80 % market rate (above moderate) for development within the Capitola Mall block. The number of market rate units for the Capitola Mall (1,422 units) surpasses the regional housing needs assessment (RHNA) requirements (281 units) in order to make the project financially feasible. There is no maximum density limit in the C-R zone. The Capitola Mall Zoning Code amendment will allow, but not require, a developer to produce market rate units beyond the RHNA assigned to the site. An explanation of mall RHNA units and the Housing Element sites inventory calculations is included as Attachment 4.

Capitola Mall RHNA Units

Income Level	Units	Required	RHNA	Percent
Lower	266	Yes	Required to meet City's RHNA for income levels	15%
Moderate	90	Yes		5%
Above Moderate	281	Yes		80%
	1141	No	Allows for economically feasible development.	

Requested Planning Commission Feedback:

- Does the Planning Commission have any comments on the proposed general approach to allow greater height and FAR for Mall Redevelopment projects?

Development Standards

Height and FAR

Housing Element Program 1.7 calls for the City to allow Mall redevelopment projects with a height of 75 feet and FAR of 2.0 (excluding parking structures). The City added these height and FAR standards to the Housing Element in response to Merlone Geier requests made during the public review of the draft

Housing Element in 2024. At that time Merlone Geier stated that a height of 75 feet is necessary to achieve the required RHNA and financially a feasible project on the Mall property.

In their Zoning Code amendments request (Attachment 1), Merlone Geier requests an overall building height of up to 85 feet (excluding architectural features and building systems). Merlone Geier states that “the 75 foot height was intended to reflect measurement to the highest occupiable floor level of a building, i.e., the floor of the 8th story of a building. This would allow for a “5 over 3” construction typology which is common for multifamily projects in the region. Anything taller than 8 stories would be considered “high-rise” in the building code for a multifamily building and would require cost implementations that would not be feasible in this location.”

Regarding FAR, Merlone Geier requests a maximum 2.0 FAR for residential uses with an additional 0.5 FAR permitted for commercial and hospitality uses. Parking structure would be excluded from the FAR calculation and allowed floor area could be transferred within parcels under common ownership within the area defined as the Capitola Mall site.

As noted above, the Housing Element requires the City to establish development standards for Capitola Mall redevelopment that can realistically accommodate at least 1,141 dwelling units on portions of the Mall property controlled by Merlone Geier. The City’s consulting architects (Urban Field Studio) studied development options for the site and found that at least 1,141 units can be accommodated on the Merlone Geier property with the 75-foot height standard and 2.0 FAR (excluding parking structures). However, a 0.5 FAR bonus for new commercial and hotel uses could incentivize these uses which are desired by the City and community. Staff will further study Merlone Geier’s FAR proposal and provide the Planning Commission with additional information at the October 30th meeting.

Parking

The City’s existing multifamily parking standards require 1.0 space for units 500 sq. ft. or less, one 1.5 spaces for units 501 to 750 sq. ft., and 2.0 spaces for units 751 sq. ft. or more. This standard was established in 2024 in response to Housing Element programs that required the City to reduce the prior multifamily parking standard. Previously, the City required 2.5 spaces per multifamily unit (one covered) regardless of unit size.

In Attachment 1, Merlone Geier requests a maximum of 1 space for studio and 1-bedroom units and 1.25 spaces for larger units. Merlone Geier states that “the market needs to control in the provision of parking. Too little and leasing / retention will struggle. Too much and the project will not be financially feasible.”

Zoning Code Section 17.76.050 (On-site parking alternatives) currently provides for a variety of methods to reduce a project’s parking demand and the number of required parking spaces. Pursuant to Subsection 17.76.050.G (Low Demand), the Planning Commission may allow for reduced parking if a parking demand study finds that a project would not utilize the number of spaces otherwise required by the Zoning Code. For this reason, staff recommends maintaining the existing multifamily parking standard and continuing to allow for a reduction in the number of spaces provided in a Mall redevelopment project using existing provisions in Zoning Code Section 17.76.050.

Requested Planning Commission Feedback:

- Should the City continue with a maximum 75-foot building height standard?
- Should the City apply the maximum 2.0 FAR standard only to residential uses with an additional 0.5 FAR for new commercial and hotel uses?
- Should the City maintain the existing multifamily parking standard with the option to reduce required parking based on a project-specific parking demand study?

Fiscal Impacts Analysis

The City of Capitola’s largest source of revenue is sales tax, which constituted about 46 percent of the General Fund in FY 2024-25. Regional retail along the 41st Avenue corridor, including the Capitola Mall,

is a major source of this sales tax revenue. If the Mall is redevelopment with non-retail uses, this could significantly reduce sales tax revenues to the City. New residential development on the Mall property would increase demand for City services, which could increase net costs to the City.

For these reasons, staff recommends the City 1) Require a proposed Capitola Mall redevelopment project to prepare a fiscal impact analysis; 2) Consider fiscal impacts to the City when acting on the proposed project. Specifically, staff recommends including in the Capitola Mall Zoning Code Amendments the following fiscal impact analysis (FIA) requirements:

- Require a FIA for any proposed residential development project on the Capitola Mall property.
- Require the FIA to be prepared or peer reviewed by a qualified independent consultant approved by the City and funded by the applicant.
- Identify required contents of the FIA, which will include:
 - An estimate of the annual recurring revenues and expenditures to the City generated by the project at buildout.
 - Identification of any net fiscal surplus or deficit to the City's General Fund and special revenue funds over a ten to twenty-year horizon.
 - A description of proposed mitigation measures or financing mechanisms to offset any projected negative fiscal impact.
 - Supporting assumptions, data sources, and methodology.
- Describe how the City will consider the FIA findings when acting on the proposed project.

For reference, the Hotel transient occupancy tax (TOT) in Capitola is 12 percent of total guest payment with the City collecting 100 percent of TOT collected. Sales tax is 9.25 percent, of which the City receives 1.5 percent, and property tax is 1 percent of assessed value, of which City receives 7.47 percent on average.

Requested Planning Commission Feedback:

- Does the Planning Commission have any feedback on the recommended FIA requirement?

Allowed Uses

Permits Required

Currently, any residential use on the Capitola Mall property requires Conditional Use Permit (CUP) approved by the Planning Commission. Hotels also require a CUP and restaurants require a Minor Use Permit (MUP) approved by the Community Development Director. Zoning Code Section 17.124.060 states that the City shall consider the following characteristics of the proposed use when evaluating a CUP or MUP application:

- A. Operating characteristics (hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts).
- B. Availability of adequate public services and infrastructure.
- C. Potential impacts to the natural environment.
- D. Physical suitability of the subject site for the proposed use in terms of design, location, operating characteristics, shape, size, topography.

To approve a CUP or MUP application, the review authority must make all of the following findings:

- A. The proposed use is allowed in the applicable zoning district.
- B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.
- C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.
- D. The proposed use will not be detrimental to the public health, safety, and welfare.

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

In Attachment 1 Merlone Geier recommends eliminating the CUP requirement for mixed-use development on the mall property and recommends allowing hotels as a permitted use without a CUP. Merlone Geier notes that “Hotels are substantial sources of municipal revenues and major employers, and the City should look to minimize entitlement risk to attract this kind of investment.”

Staff recommends maintaining the existing CUP for all new residential uses on the mall property, including mixed-use projects. The CUP will enable the City to ensure a Mall redevelopment project that complies with objective standards and CEQA and minimizes potential community impacts in terms of operating characteristics and availability of public services and infrastructure. Staff also recommends the Planning Commission consider eliminating the CUP and MUP requirements for hotels and restaurants to incentivize these uses on the Mall property.

Commercial Use Requirement

The Zoning Code currently allows residential uses on the Mall property only “as a part of a mixed-use project integrated with commercial structures located on the same development site.” This requirement is intended to help maintain commercial uses on the Mall property, promote the economic vitality of 41st Avenue, and sustain sales tax revenue for the City.

In Attachment 1, Merlone Geier recommends removing this mixed-use requirement and allowing residential-only development on the Mall property without limitation. Merlone Geier has indicated to staff that a requirement for new commercial uses could jeopardize the financial feasibility of a Mall redevelopment project.

The General Plan Land Use Element envisions the “transformation of Capitola Mall into a more pedestrian-friendly commercial district with high quality architecture and outdoor amenities attractive to shoppers and families.” As noted above, Housing Element Program 1.7 states that the City will “Define ‘Mall Redevelopment’ to mean a mix of uses that includes residential and retail/commercial components.” Given these existing policies, staff recommends that the City require new commercial uses as part of a Mall redevelopment project. Staff recommends requiring at least new active commercial uses (e.g., retail or restaurants) oriented towards new publicly accessible open space and in proximity to existing retail uses. New commercial uses may be in stand-alone buildings; vertical mixed-use would not be required. The specific amount of required new commercial uses remains to-be-determined but will be specified in the Zoning Code amendments. The City will prepare a market demand analysis to ensure a requirement for commercial will not result in vacant tenant space.

Requested Planning Commission Feedback:

- Should the City maintain the existing CUP requirement for residential uses on the Mall property?
- Should the City allow restaurants and hotels as a “permitted” use on the Mall property with no conditional use permit requirement?

Please note, staff will provide additional information regarding the findings of a market demand study at a future meeting and propose minimum commercial development standards based on the analysis.

Objective Design Standards

Currently, multifamily and mixed-use development on the Capitola Mall property is subject to objective design standards in Zoning Code Chapter 17.82. As discussed at the October 2, 2025 Planning Commission meeting, these existing standards were prepared for a type and scale of development different from what is expected for Mall redevelopment. For this reason, staff recommends creating a new set of objective standards specifically tailored to mid-rise development, including both residential-only apartments and vertical mixed-use development. These standards would apply to Capitola Mall redevelopment projects and could also apply to mid-rise development in other locations in Capitola as

well. The standards will address the topics discussed by the Planning Commission on October 2, 2025 and will reflect public input received at the October 8, 2025 community meeting.

Requested Planning Commission Feedback:

- Does the Planning Commission have any additional comments on the objective design standards for Mall redevelopment projects?

Public Services and Infrastructure

As noted above, the Capitola Mall Zoning Code Amendments will need to accommodate at least 1,777 units on the Mall property. At the October 8, 2025 community meeting residents expressed concern about impacts from the development on public services and infrastructure, including police and fire service.

Capitola is not a full-service city. The City does not operate water or sanitary sewer utilities. At the Capitola Mall, water and sewer are provided by the City of Santa Cruz Water Department and Santa Cruz County Sanitation District, respectively. Also, Zone 5 of the County Flood Control and Water Conservation District maintains the major conveyances of storm water throughout Capitola, while the smaller local storm drains are maintained by the City.

Each agency has current master planning documents that include capacity planning for redevelopment at the Capitola Mall site. The Planning Commission can view these studies by clicking on the links provided in the attachments:

- *Zone 5 Storm Drain Master Plan (Draft 2023):* (Attachment 4)
- *Santa Cruz Water Department Urban Water Management Plan:* (Attachment 5)
- *Sanitation District Sewer System Management Plan:* (Attachment 6)

In addition, the utility agencies presented their system capacity and planning efforts to the Capitola Planning Commission in June 2025. To learn more, read the staff report (Attachment 7) or watch the video (Attachment 8).

Through the Conditional Use Permit process, the City will be able to attach conditions of approvals to ensure that development does not result in adverse public health and safety impacts. The City will also collect development impacts fees to mitigate impacts from Mall development and funded necessary improvements to public infrastructure and facilities.

REQUESTED FEEDBACK

As discussed above, staff requests Planning Commission feedback on the following questions:

1. **General Approach.** Does the Planning Commission have any comments on the proposed general approach to allow greater height and FAR for Mall Redevelopment projects?
2. **Maximum Height.** Should the City continue with a maximum 75-foot building height standard?
3. **Maximum FAR:** Should the City apply the maximum 2.0 FAR standard only to residential uses with an additional 0.5 FAR for new commercial and hotel uses?
4. **Parking.** Should the City maintain the existing multifamily parking standard with the option to reduce required parking based on a project-specific parking demand study?
5. **Fiscal Impact Analysis.** Does the Planning Commission have any feedback on the recommended FIA requirement?
6. **Permits for Residential Uses.** Should the City maintain the existing CUP requirement for residential uses on the Mall property?

7. **Permits for Restaurants and Hotels.** Should the City allow restaurants and hotels as a “permitted” use on the Mall property with no conditional use permit requirement?
8. **Objective Design Standards.** Does the Planning Commission have any additional comments on the objective design standards for Mall redevelopment projects?

NEXT STEPS

Staff expects to publish the draft Capitola Mall Zoning Code Amendments the week of November 10, 2025. Public hearings on the amendments are planned for November 19, 2025 (Planning Commission) and December 4, 2025 (City Council).

Attachments:

1. Merlone Geier Requested Zoning Code Amendments
2. October 8, 2025 Community Meeting Summary
3. Capitola Mall Frequently Asked Questions
4. Zone 5 Master Plan may be viewed at:
<https://cdi.santacruzcountyca.gov/Portals/35/CDI/PublicWorks/Stormwater/Drainage%20Zones/CRUZ.05%20Draft%20Zone%205%20SDMP%20with%20Appendices%202023-12-20.pdf?ver=PagOF6s4DeMpVjd6C8GkJA%3D%3D>
5. *Santa Cruz Water Department Urban Water Management Plan* may be viewed at:
<https://www.santacruzca.gov/Government/City-Departments/Water-Department/Urban-Water-Management-Plan-2020>
6. *Sanitation District Sewer System Management Plan* may be viewed at:
https://cdi.santacruzcountyca.gov/Portals/19/pdfs/Sanitation/pdf/SSMP_FINAL_2022_with_RESOLUTIONS-compressed.pdf?ver=6o97qhXijOCZMRI1RCM-Lg%3d%3d
7. *June 5, 2025 Planning Commission staff report* may be viewed at:
<https://mccmeetingspublic.blob.core.usgovcloudapi.net/capitolaca-meet-07f723420e9b4e6abcb2f680e2693912/ITEM-Attachment-003-c1c066c60e2f4e51b261ca7f6b02ca87.pdf>
8. *June 5, 2025 Planning Commission video* may be viewed at:
<https://www.cityofcapitola.org/pc/page/planning-commission-meeting-40>

Report Prepared By: Ben Noble, Consultant

Reviewed By: Rosie Wyatt, Deputy City Clerk

Approved By: Katie Herlihy, Community and Economic Development Director

A. Objective Housing Element Requirements for Zoning Updates

The Housing Element is clear in stating that the following amendments will be incorporated into the Code by the end of 2025. (2023-2031 Housing Element, pp. 5-10; -11.)

1. *“Establish the Capitola Mall as the Area between Clares Street, 41st Avenue and Capitola Road.”*

These amendments can be included in Section 17.88 describing Capitola Mall.

2. *“Allow for building height up to 75 feet for Mall Redevelopment.”*

MGP’s prior analysis and the Housing Element assume building heights of up to 75 feet. For the avoidance of doubt, the 75 foot height was intended to reflect measurement to the highest occupiable floor level of a building, i.e., the floor of the 8th story of a building. This would allow for a “5 over 3” construction typology which is common for multifamily projects in the region. Anything taller than 8 stories would be considered “high-rise” in the building code for a multifamily building and would require cost implementations that would not be feasible in this location.

These amendments can be included in Chapter 17.88 and described as objective requirements rather than discretionary benefits (see below).

3. *“Define ‘Mall Redevelopment’ to mean a mix of uses that includes residential and retail/commercial components.”*

This amendment can be incorporated into Chapter 17.88, clarifying that a mixed-use project with residential and retail or other commercial uses permitted in the C-R zone constitutes Mall Redevelopment triggering application of “Objective Redevelopment Incentives” as further described below.

4. *“Exclude parking garages from the project FAR calculations.”*

Calculation of FAR can be described in Section 17.88 to exclude parking garages. As previously studied, exclusion of parking garages from FAR is essential to achieving densities contemplated in the Housing Element for the Capitola Mall site.

B. Objective Standards to Facilitate Mall Redevelopment

The Housing Element states that the City will “adopt objective development standards to facilitate mall redevelopment” by the end of 2025. (2023-2031 Housing Element, pp. 5-10; - 11.)

MGP identifies the following as proposed objective standards to facilitate redevelopment of Capitola Mall consistent with density projections in the Housing Element and market conditions. As with the items described above, MGP believes these requirements can be incorporated into the Code immediately.

1. As further described below, a project that includes “Mall Redevelopment” (as defined above) should be automatically subject to “Objective Redevelopment Incentives” without the exercise of discretion by the Planning Commission or City Council as to whether such incentives should apply. To impose discretion in determining whether these incentives apply would controvert the requirements of the Housing Element.
2. “Objective Redevelopment Incentives” should include the following:
 - a. Elimination of the requirement for a conditional use permit for a mixed-use development.
 - b. Height limit increase (to 75’ of the floor of highest occupiable level of the building).
 - c. Maximum FAR of 2.0, excluding parking structures, which FAR can be transferred within parcels under common ownership within the area defined as the Capitola Mall site. Additional FAR of 0.5 should be permitted to allow for commercial and hospitality uses.
 - d. Elimination of any ground-floor commercial requirement (mixed-use development necessarily requires horizontal mixed-use development even if the project includes standalone residential buildings).
 - e. Parking for multifamily buildings should not be required at levels in excess of 1.25 spaces per unit.

- f. Step back requirements for buildings should apply only if the building façade is within 100' of an existing single-family residence.
 - g. Horizontal improvement obligations (e.g., street improvements, utilities and dedications) should correspond with a project's impacts and be limited to requirements of adopted capital facilities programs, tentative map conditions of approval and CEQA mitigation measures as applicable.
- 3. The following Code amendments are recommended to spur Mall Redevelopment consistent with the goals of the Housing Element.
 - a. Table 17.24-1 Eating and Drinking Establishments including Bars and Lounges, Mobile Food Vendors, Restaurants and Cafes and Take-Out Food and Beverage should all be Permitted Uses not subject to footnote 2, 6, 11.
 - b. Table 17.24-1 Hotel should be a Permitted Use rather than requiring a CUP, given that the C-R zone is intended to promote commercial uses. Hotels are substantial sources of municipal revenues and major employers, and the City should look to minimize entitlement risk to attract this kind of investment.
 - c. 17.24.030 Dev Standards Table 17.24-3 for height, FAR, parking and landscaped open space requirements should be superseded by Section 17.88 for Mall Redevelopment projects.
 - d. 17.24.040 Residential mixed-use development in commercial zoning districts:
 - i. B.1 Ground floor spaces fronting primary streets in the C-R zone should not be required to contain ground floor retail, restaurant or personal service uses.
 - ii. B.3 Buildings should not be required to be oriented towards a public street if the broader site is broken down by private streets that are publicly accessible.
 - iii. B.8 Ground-floor commercial space should not be required as mentioned above.

- iv. B.9 Parking Location should allow for surface parking to meet the needs of commercial retail. At Capitola Mall, existing REAs and leases affect the ability to relocate or eliminate surface parking as part of any redevelopment. Parking for purposes of determining required ratios for commercial uses should be treated as shared across the entire project to the extent that there is street parking (angled or parallel) in addition to the surface parking that will remain and may be used for the new retail. A shared parking analysis could be required to demonstrate that sufficient parking will be available.
- v. B.10 Driveways and Curb Cuts - Limits should only apply to curb cuts coming off of public streets.
- e. Parking and Loading: Chapter 17.76.010 – Commercial land uses should all be treated as 820 ITE parked at 4/1,000 if over 100,000sf of shopping center retail is sharing parking rather than evaluated separately.
- f. Objective Standards for Multifamily and Mixed-Use Residential – Chapter 17.82:
 - i. Any standards in Chapter 17.82 should be superseded to the extent they conflict with the Objective Redevelopment Incentives.
 - ii. 17.82.050B.1.a. This standard should not apply to Mall Redevelopment projects where existing surface parking will be retained (see above).
 - iii. 17.82.050B.5.a Landscape strip requirements adjacent to podium parking should not be required for a Mall Redevelopment Project.
 - iv. 17.82.050B.5.b This standard should not apply to Mall Redevelopment Projects.
 - v. 17.82.060.B.1 This standard should be revised to account for a residential building that fronts onto a publicly accessible open space that is deeper than 20 feet.

- vi. 17.82.060.B.2.b. This standard should be relaxed for a Mall Redevelopment Project and addressed as part of the application.
- vii. 17.82.070.B.1 a and b For Mall Redevelopment projects, massing breaks should be every 80'.
- viii. 17.82.060.B.6 360 degree design should not be required for Mall Redevelopment projects where design will be oriented toward publicly-facing components.

C. Procedure for Implementation of Mall Redevelopment Incentives

The Housing Element states that the City will update Section 17.88 to apply objectively. The City's existing process, for development incentives under Section 17.88 requires planning commission recommendation and City Council approval. These processes were identified as development constraints.

Mall Redevelopment projects should be entitled to rely on Section 17.88 as part of application submittals, with applications reviewed for consistency with the Code including the Mall Redevelopment Incentives without the need for the Planning Commission or Council to evaluate the adequacy of public benefits and to determine whether to approve incentives. Any applications (e.g., tentative maps, CUPs or otherwise) should be reviewed in the normal course as required for such applications without separate discretionary determinations as to the eligibility for incentives.

CAPITOLA MALL ZONING CODE AMENDMENTS COMMUNITY MEETING SUMMARY

On October 8, 2025 the City of Capitola hosted a community meeting for two related City projects: the 41st Avenue Corridor Vision Plan and the Capitola Mall Zoning Code Amendments. For the Mall project, the purpose of the meeting was to provide background information on the project and to receive feedback on design considerations unique to Mall redevelopment. The City advertised the meeting on the City website, email blasts, social media, and staff updates at public meetings.

The workshop was held at New Brighton Middle School and began with a presentation by the project consultants. After the presentation staff answered questions about the Mall Zoning Code Amendments. For the Capitol Mall project, participants then viewed posters with information about unique design considerations for Capitola Mall redevelopment related to the following topics:

- Site layout and circulation
- Publicly accessible open space
- Parking
- Building massing
- Façade composition
- Ground floor residential frontages

For each topic, the display boards described existing policies and standards, showed example mid-rise development projects, and identified new standards that may be needed for the Mall property. Participants used adhesive notes and index cards to respond to the following questions for each topic:

- Is the topic important to you?
- What do you like or dislike in the photographs of example development?
- What kind of new standards are needed for Mall redevelopment to address the topic?

Participants discussed the posters with City staff and consultants during the open house. Participants were also asked to provide any additional comments about the Capitola Mall Zoning Code Amendments Project. At the end of the meeting staff answered additional questions from participants about the Capitola Mall Rezoning Project.

In total, approximately 50 people (excluding staff and consultants) attended the community meeting.

Community Meeting Feedback

During meeting Q&A, residents asked questions about the Housing Element, the number of units assigned to the Mall property in the Housing Element sites inventory, and potential community impacts resulting from a Mall redevelopment project. Answers to many of these questions are provided in the City's Mall Redevelopment FAQ webpage, available here:

<https://www.cityofcapitola.org/communitydevelopment/page/capitola-mall-zoning-code-amendments>

Attached to this summary are photographs of the posters with public comments and transcribed public comments from the display boards. Major themes from these comments include the following:

- **Walkable, transit-oriented design:** Support for pedestrian and bicycle circulation, limited internal streets, and integration of a public transit hub.
- **Green, inviting open spaces:** Desire for parks, playgrounds, and natural landscaping (grass, trees, seating) rather than paved plazas.
- **Human-scale buildings:** Preference for varied heights, generous setbacks, and non-monolithic massing that fits Capitola's character.
- **Mixed-use activity:** Calls for ground-floor retail, cafés, and community spaces balanced with housing and family-oriented amenities.
- **Sustainability and design quality:** Interest in green walls, solar panels, rooftop gardens, and architecture reflecting a coastal identity.
- **Efficient, integrated parking:** Support for podium or wrap parking with good bicycle facilities and minimal surface lots.
- **Community continuity:** Concern about displacement of local institutions (museum, cafés, studios) and interest in re-locating or integrating them.
- **Housing and affordability:** Support for new housing, including affordable units, alongside questions about density, scale, and SB 35 compliance.

Attachments:

1. Transcribed comments from posters
2. Photographs of posters with public input

TRANSCRIBED COMMENTS POSTED ON DISPLAY BOARDS

Site Layout and Circulation

- Would love to see a public transit hub incorporated in the plan — I like how the Tanforan redevelopment accommodates for the BART station
- Yes [site layout and circulation is important to me]
- San Bruno will feel more cohesive; Better activation + public safety w/o the street cutting through
- Minimize internal streets
Keep them narrow so people drive slow
They should only serve destinations, not through traffic
- Yes [site layout and circulation is important to me]
- Leave open space between buildings — no “closed in” feeling
- Yes layout is important
One should be able to walk (maybe bike) thru the development
Tanforan site appears to be a better use of space

Parking

- Yes [parking design is important to me]
- Podium is great, but would consider wrap if it provides additional parking to the public & brings revenue to the city
- BICYCLE PARKING!
- Prefer open space in center — podium would facilitate this
- Podium — leave open space in middle of housing — not parking
- Podium parking is more aesthetically pleasing
- Where to put retail...!?
- YES [parking design is important to me] 500 sq ft = 1 spot; 500-800 sq ft = 2 spots; 800+ = 2.5
- Please a hotel w/ retail & parks!

Publicly Accessible Open Space

- Yes! Must have retail / hotel
- Children’s playground
- Yes, very [important]; do not like pavement, grass and real plants preferred; seating nice
- Please! Parks!
- Yes [publicly accessible open space is important]; Green space is important + infrastructure for music artists / local concerts for activation + seating areas
- Open space important — don’t like cluttered space — openness preferred
- Yes open space! What about small businesses like cafés and restaurants on the ground floor?

Building Massing

- Yes, Mountain View and SF are optimal. Santa Ana leaves an environ. for potential nuisance with wider ceiling; its also too modern
- Generous setbacks; not so monolithic
- Vary roof heights to break monotony; screen with trees maybe? Provides shade too
- Prefer style like Sunnyvale; Mathilda Apts; Varied Building heights; less monotonous
- Building too close to the corner; give more space for sidewalk
- No flat building fronts; vary height; require insets

Ground Floor Residential Frontages

- If all the ground floor units are residential, what happens to potential retailers? I think we need to consider retail floor units – especially since this project displaces retailers (many of which are local businesses) out of the mall
- No – not if it replaces business storefront
- Activities and amenities for kids and families
- This needs: services, clinics; childcare; retail
- Ugly!
- Love the bookstore and museum
- Should have ground floor retail and mandated non-profit spaces
- Ground floor business helps residents get what they need close by
- WRONG! All retail business is already on 41st and many big retail spaces have been empty for years. Why add more?
- Buildings too close to sidewalk. Give more room on sidewalks!
- Continuity of retail space is critical. Look no further than Oakland or Berkeley to see the result of disparate retail spaces
- Ensure that retail space has infrastructure planned for restaurants (hood vents, grease traps, etc) with wind direction in mind

Façade Composition

- #1 Radius, #2 The Julian
- 1. Yes [façade composition is important to me 2. Dislike the 2 designs. It's too boxy for a coastal city. The Mountain View design has more uniqueness
- I'd love to see green walls aka vertical gardens considered for a façade! More vegetation to replace concrete
- Living Walls, Solar, Ceramic
- Variety of bldgs. Important, not monotonous!

Capitola Mall Property

- Need parking
- Where are the 121 low income units going to be allocated? SB35 risk
- Incorporating transit in the mall area will help the parking issues with the transit riders!

Additional Comments

- I am all for tall building in Mall area!
 - Doesn't live near the proposed site
 - Yes I do, I want affordable housing for my kids
- Good compromise for location to build
- Provide another example of a residential development plan that is this massive anywhere else in California
- Sooo.... No more mall shopping? Sounds like only housing.....
- The mall is home to empty storefronts and outdated stores, sure – but its all full of lively community spaces like the children's museum, the board game hall, Coffee Conspiracy, and the dance studio. What happens to those businesses? There needs to be a plan to ensure those community spaces don't disappear – for example, by allowing retailers in ground-floor units
- Ok – Think old El Paseo de Saratoga – wooden structures, waterfalls- surrounded by wooden benches – beautiful woodsy shops on 1st level + apartments built above. Smelled great! Parking lot high rise “70's”, Earthy, Jonie Steele
- Mixed uses with pedestrian only space
- I don't see any roof tops with small garden areas, and no roof tops with solar panels. Will there be innovative environmental projects on/in or around these housing complexes?
- Since this project needs 80/20 rates, we can assume all/most might need 80% market rate. Would SB35 kick in without builder's ? income
- The mall is home to several beloved institutions that serve as valuable community spaces – such as the children's museum, the board game hall, and dance studio. What happens to those businesses? Is there a plan to rehome these community spaces and local businesses? The children's museum and board game café especially provide an important social function that malls



1. The City of Capitola is updating the zoning code for the Capitola Mall. How can stay informed and participate.

You can learn more about the Capitola Mall zoning code updates and how to participate on the City dedicated webpage. For more information, view the webpage at: <https://www.cityofcapitola.org/communitydevelopment/page/capitola-mall-zoning-code-amendments>.

You can also sign up for notification on the Capitola Mall on the City's website. For more information, view the webpage at: <https://www.cityofcapitola.org/newsletter/subscriptions>.

2. Has the City undergone previous planning efforts to assist in redevelopment at the Capitola Mall?

Yes. Here is a list of previous planning efforts toward mall redevelopment since 2010:

- 2010 Zoning Code: Reduce parking & allowed residential in mixed use
- 2011 41st Avenue / Capitola Mall Re-Visioning Plan
- 2013 General Plan Update
- 2018 Zoning Code: Increase height and floor area, allow horizontal mixed use, and decreased parking
- 2019 Processed 2019 Mall Redevelopment Conceptual Review Application – Withdrawn due to Pandemic
- 2022 Zoning Code: Introduced objective standards for multifamily and mixed use
- 2024 Housing Element Update
- 2024 Updated Zoning Code to removed barriers to housing production

3. Where can I view the City's existing Zoning Code and Zoning Map?

The City's zoning code is Title 17 of the Capitola Municipal Code. The Zoning Code may be viewed at this [link](#). The City's Zoning Map may be viewed at this [link](#).



4. Why is the City updating the Capitola Mall zoning now?

The City is updating the zoning at the Capitola Mall to fulfill the commitment made within the 2024 Housing Element. The Capitola Mall block is a key redevelopment site in the housing to accommodate future housing. The City is updating its zoning regulations to include more objective standards to ensure predictable, fair, and transparent review of new development and housing projects.

5. What is the timeline for updating the Mall zoning code?

The Housing Element targets completion of the updates by the end of this year, 2025. The City is currently working on the zoning code updates for the Capitola Mall.

The Planning Commission had a work session on the updates on October 2, 2025. For more information, view webpage at

<https://www.cityofcapitola.org/pc/page/planning-commission-meeting-45>.

A Community Meeting occurred at New Brighton Middle School on October 8, 2025. A summary of the public outreach will be included in the agenda packet for the Special Planning Commission meeting on [October 30, 2025](#).

Special Planning Commission meetings for mall zoning updates are scheduled for [October 30, 2025](#), and [November 19, 2025](#), at 5 pm in City Hall Council Chambers at 420 Capitola Avenue, Capitola, CA. Please note the early 5 pm start.

6. What is the Housing Element?

The Housing Element is one of the seven State-required “elements” or chapters that comprise the City’s General Plan and includes goals, policies, programs to be implemented during the planning period to meet current and future housing needs within the City. The Housing Element provides an analysis of the City’s population, economic, and housing stock characteristics, in addition to a comprehensive evaluation of housing programs and regulations.

State law requires the Housing Element to be updated every eight years in order to remain relevant and reflective of the community’s changing housing needs. The City’s current Housing Element covers the 2023-2031 period (also known as the



sixth cycle), and the State law requires that the City adopt this update by December 15, 2023.

Pursuant to State housing law, a Housing Element document is required to include the following components:

Housing Needs Assessment: Analysis of the City's demographic, household and housing characteristics for the purpose of identifying and analyzing the existing and projected housing needs of a City.

Constraints Analysis: Analysis of potential market, governmental, environmental and infrastructure constraints to the development of housing.

Goals, Policies and Objectives: A statement of goals, policies, quantifiable objectives and financial resources available for the preservation, improvement and development of housing.

Housing Programs: A list of housing programs setting forth actions and timelines for the implementation of established policies and goals set forth in the Housing Element.

Site Inventory: An inventory of resources and constraints relevant to meeting a city's housing needs, including an inventory of adequate sites and zones for future housing development.

[Housing Element Adopted Sites Inventory Map \(link\)](#)

[Housing Element Adopted Sites Inventory List \(link\)](#)

7. What has Capitola committed to in its Housing Element related to the Mall?

There are two programs within the Housing Element related to the Capitola Mall: Program 1.6: Development Regulations and Program 1.7: Shopping Center Redevelopment. These programs include the following deliverables:

1. Define "Mall Redevelopment" to mean a mix of uses including residential and retail/commercial components
2. Develop land use policies to facilitate shopping center Mall Redevelopment with a strong sense of urban design cohesion
3. Increase building height up to 75 feet for Mall Redevelopment
4. Exclude parking garages from project development Floor Area Ratio (FAR) calculations
5. Adopt objective development standards to facilitate Mall Redevelopment

8. What is the Capitola Mall Block?



It is all the properties between Clares Street, 41st Avenue, and Capitola Road. This includes Target, Macy's, Sears, Takara, Olive Garden, Ross, Citibank, and Bank of America.

9. What is an objective standard?

Objective standards are utilized by the City to review development projects without personal or subjective judgment. These are clear, measurable rules that a project must meet, such as building height limits, setbacks, design features, or landscaping requirements. Objective standards are written so that anyone can look at a proposal and determine whether it complies, without personal interpretation.

Recent State housing laws now require that specific types of housing development applications be reviewed only against objective standards. This means that older, subjective design criteria or discretionary design guidelines are no longer enforceable for qualifying housing projects.

For example, an objective design standard might require that a building entryway be recessed five feet from the front façade or windows include a minimum three-inch trim detail. These are measurable requirements, unlike a subjective standard that might say a building should be visually appealing or fit the neighborhood style.

10. What is RHNA?

The Regional Housing Needs Allocation (RHNA) is a state-mandated process that determines how many housing units, by affordability level, each city and county in California must plan for in its Housing Element. RHNA is not a mandate to construct housing. Instead, it requires jurisdictions to identify sufficient sites where housing could reasonably be built to accommodate their share of the region's housing needs.

Capitola's RHNA allocation received prior to starting the Housing Element update:

- 497 low-income units (50 – 80% of Area Median Income)
- 169 moderate-income units (80 – 120% of Area Median Income)
- 455 above-moderate (market-rate) units (Over 120% Area Median Income)
- City Total: 1,336 units

11. How many RHNA sites are identified at the mall?

- 266 low-income units (50 – 80% of Area Median Income)



Capitola Mall Frequently Asked Questions

Item 5 A.

- 90 moderate income units (80 – 120% of Area Median Income)
- 1,422 above moderate units (Market rate)
- Mall Block Total: 1,777 units

12. How did the number of planned units at the mall end up exceeding the City's overall RHNA allocation?

Between 2023 and 2024, the City prepared multiple drafts of the Housing Element for review. In the first draft, adopted by the City Council on November 9, 2023, there were six* sites listed within the Mall block, the properties bound by Clares Street, 41st Avenue, and Capitola Road. Five* of the six* are owned by Merlone Geier Partners (MGP), the majority owner of the mall site, who own 31 acres of the 46-acre mall site. These six sites were identified to accommodate the following number of units.

- 368 low-income
- 109 moderate-income
- 257 above-moderate

After publishing the initial draft, the City received comments from the State of California's Department of Housing and Community Development (HCD) that the number of affordable units placed on the six Capitola Mall sites was not feasible, as an owner would not receive a fair rate of return from developing a project with only 35% market rate units and 65% below market affordable units.

After State HCD commented that the proposed units were not feasible, the City expanded the sites inventory to include 12 of the 14 properties within the Mall block. State HCD also required the City to demonstrate that the units proposed for the Mall sites were economically feasible to construct.

This economic analysis demonstrated that a developer needed approximately four times the number of market rate units compared to the number of affordable units. Specifically, the analysis determined the following economic feasibility percentages:

- 15% low-income
- 5% moderate-income
- 80% market rate

As a result, to meet Capitola's RHNA requirement for affordable units, the City had to identify more market rate units at the mall block, so that a future developer could



generate enough profit to build the required number of low- and moderate-income homes.

13. Capitola is a “High Opportunity” area. What does this mean?

A “High Opportunity Area” is a neighborhood that provides strong access to good schools, jobs, parks, and public services. Projects in these areas are more likely to receive affordable housing funding because they give residents access to opportunity and long-term stability. The Capitola Mall area has been identified as a high-opportunity location, which means it’s a good place to include new housing options.

14. Does the City have an application from the mall owner to redevelop the site?

At this time, Merlone Geier Partners does not have an active redevelopment proposal for Capitola Mall. MGP is participating in the zoning code updates as a property owner, but is not pursuing a specific project currently. MGP owns 32 acres of the 46 acre site. You can learn more about MGP’s involvement in the zoning code update at <https://capitolamall-community.com>.

15. How will the City accommodate high density development within the Capitola Mall block?

To accommodate the new housing units planned for the Mall site, the City committed in the Housing Element to increasing the maximum building height from 40 feet to 75 feet and to not count parking garages to the maximum building floor area.



16. What types of development does the City expect to see on the mall site?

The City expects that the updated zoning for the Capitola Mall will create a balanced, mixed-use plan that enhances the entire mall block. The vision includes greater connectivity through new internal streets and walkways, safe and comfortable sidewalks and bike lanes, and inviting public spaces with landscaping, plazas, and gathering areas. These improvements are intended to transform the area into a vibrant, walkable district that serves residents, visitors, and shoppers alike.

To accommodate the new housing units planned for the Mall site, the City will update the zoning to allow a maximum building height of 75 feet. This height increase will make it possible to design mid-rise apartment buildings with structured parking, such as podium-style or wrapped parking garages. These designs make more efficient use of land by integrating parking into buildings rather than spreading it across large surface lots.

The redevelopment is also expected to include less commercial space than exists today, reflecting broader trends in retail and the growing role of online shopping. In addition, the City is encouraging the inclusion of a hotel on the site. A hotel would help generate transient occupancy tax (TOT) revenue, which supports City services and helps offset the costs associated with welcoming new residents and visitors.

17. Why is the City increasing building heights to 75 feet instead of taller?

There are several reasons for the 75 foot height limit. The City's Housing Element includes language committing the city to increase height to accommodate new housing and density. The Housing Element estimates a density of 48 units per acre on the Mall site while still maintaining some ground-floor commercial and public open space. This density can be accommodated within the 75 foot height limit.



18. I've noticed a lot of the new housing in Santa Cruz is about 75 – 85 feet. Why is this?

Economics plays a big role. Buildings taller than 85 feet require more complex engineering and construction. Under 75 feet, the lower two floors are typically concrete for strength, fire safety, and seismic stability. The upper five floors are wood-frame (“stick”) construction, which is lighter and less expensive. Going taller would require additional concrete floors or more advanced structural systems, significantly increasing construction costs.

Also, the 75-foot height makes it possible to include structured parking in an efficient, pedestrian-friendly way including podium parking and wrapped parking. With podium parking the parking is located at the base of the building, with housing or commercial uses above. Wrapped parking has parking located internally and “wrapped” so the apartments or shops are seen on the street-facing sides and parking garage is hidden from view. These approaches maximize land use while keeping streetscapes attractive and active.

19. What is Floor Area Ratio (FAR)?

Floor Area Ratio, or FAR, compares the size of a building to the size of the property it's built on. For example, if a property has an FAR of 1.0, that means the total floor area of the building equals the size of the lot. With a FAR of 1.0, a 20,000 square foot lot could have up to a 20,000 square foot building. A higher FAR means more building square footage, such as taller buildings or more compact development, while a lower FAR means less intensive development.

20. What is the FAR for the Capitola Mall?

The Capitola Mall is located in the Regional Commercial (C-R) zoning district which has a maximum FAR of 1.5. However, the Capitola Mall is eligible for Incentives for Community Benefits (Chapter 17.88 of the Zoning Code view [here](#)) which allows Mall redevelopment an increased FAR up to 2.0.



21. The Housing Element requires the City to exclude parking garages from project development Floor Area Ratio calculations. What does this mean?

The Capitola Mall sites will have a FAR of 2.0, that means the total floor area of the building can be two times the size of the lot. For example, on a 100,000 square foot lot on the mall site, they could develop a 200,000 square foot structure. Typically, all area with the buildings is counted toward the floor area. However, with the garage exception to parking garages, the previous example could include a 250,000 square foot building in which 50,000 square feet is a garage.

During the Housing Element update, the mall developer requested that parking garages not count toward the total floor area when calculating FAR. This is common for mixed-use or redevelopment projects because parking structures can add a lot of square footage without adding usable space like housing, offices, or shops. Excluding parking from the FAR encourages better site design and more efficient use of land, allowing new housing, public spaces, and shops to fit within reasonable building sizes while still meeting parking needs.

22. What happens if the City does not update the zoning as required in the Housing Element?

If the City decided not to move forward with the zoning code updates to accommodate increased housing at the Mall site, there could be serious consequences from the State.

In California, every city and county must adopt a State-certified Housing Element and submit an annual progress report showing how it is meeting its housing goals. The Housing Element must include realistic programs and zoning that allow for the number of housing units assigned to the City through the Regional Housing Needs Allocation (RHNA) process.

If Capitola does not complete the required zoning updates, the City's Housing Element may be considered out of compliance with State law. This can result in several significant consequences, including:

- **Loss of local control:** If the State revokes its certification that the City's Housing Element complies with state law, the City could become subject to the "Builder's Remedy", a State provision that allows developers to propose housing projects of any density or height, even if they do not meet local zoning, so long as a portion of the homes are affordable.



- Loss of eligibility for State grants: The City could lose access to important State and regional funding programs, including housing, infrastructure, transportation, and climate resilience grants.
- Potential legal action: The State Department of Housing and Community Development (HCD) or third parties may take legal action to compel compliance, which could result in court-ordered approvals or penalties.
- Delayed implementation of local priorities: Without compliance, Capitola could lose its ability to guide how and where new housing is built, limiting opportunities to design projects that reflect community goals.

Updating the zoning is therefore essential to maintaining local control, qualifying for funding, and ensuring Capitola meets State housing requirements in a way that best fits the community's character and vision.

23. Can the City add a minimum ground floor commercial FAR for the mall site?

The city can add requirements for ground floor commercial in the zoning code updates; however, the requirements should be drafted to require ground floor commercial only where the city has evidence that such development will be feasible.

The consultant team for the zoning code updates includes an economic development specialist who will be guiding the City in respect to ensuring success with new commercial space. Over the past decade, new brick-and-mortar commercial development has slowed significantly as consumer shopping has shifted online. Retailers are increasingly prioritizing e-commerce platforms, reducing the demand for traditional physical storefronts. As a result, new commercial projects often focus on mixed-use spaces, experiential retail, or smaller footprints, while large traditional retail centers face higher vacancy rates and struggle to attract tenants. The city will analyze retail demand at and around the mall to gauge the likelihood of success for new retail space within the mall.



24. Sales Tax. I have heard that the mall redevelopment will result in a decrease in retail and an increase in housing. What will the impact be on the City's budget.

It depends on the mix of uses proposed on the site. Additional housing units come with a cost due to the services the city provides (police, public works, street improvements, city administration). However, if retail declined but a new hotel were built on the mall site, this could have a significant benefit to the City's budget as hotel generate more tax revenue than retail.

City revenues come in the form of taxes which have different tax rates. For instance, of the 1% property tax collected by the county, the city receives on average 7.5%. Sales tax is 9.25%, of which the city receives 1.5%. A hotel collects TOT tax which is 12% of gross hotel revenue, which all goes directly to the city.

25. Does the City have a citywide utility master plan for water, sewer, storm water, and electricity?

Capitola is not a full service city. The City does not operate water or sanitary sewer utilities. At the Capitola mall, water and sewer are provided by the City of Santa Cruz Water Department and Santa Cruz County Sanitation District, respectively. Also, Zone 5 of the County Flood Control and Water Conservation District maintains the major conveyances of storm water throughout Capitola, while the smaller local storm drains are maintained by the City.

26. Is there recent analysis of water, sewage, and stormwater infrastructure to determine if there is enough capacity for the scale of redevelopment (and new residential development) the City is planning for at the Capitola Mall site?

Each agency has current master planning documents that include capacity planning for redevelopment at the Capitola Mall site. You can view these studies by clicking on the links below

- *Zone 5 Storm Drain Master Plan (Draft 2023):* [link](#)
- *Santa Cruz Water Department Urban Water Management Plan:* [link](#)
- *Sanitation District Sewer System Management Plan:* [link](#)

In addition, the utility agencies presented their system capacity and planning efforts to the Capitola Planning Commission in June 2025. To learn more, read the staff report ([staff report link](#)) or watch the video ([Planning Commission Video](#)).



27. Emergency Services. If the Capitola Mall is redeveloped and population increases, what is the impact on police services?

The City studied the costs associated with population growth at the Mall in 2019. The study showed each new resident cost the City approximately \$305 in police services, and \$785 in total for all City services. While those numbers are now dated, they provide a useful reference point.

Currently, Capitola has 24 sworn officers serving about 10,000 residents (roughly 2.4 officers per 1,000 people). As the community grows, the City will evaluate staffing needs and funding options. Generally, the City would need to add about 2 sworn officers for every 1,000 new residents to maintain current service levels. Generally, the City would need to add about 2 sworn officers for every 1,000 new residents to maintain current service levels, unless the project also includes uses which result in a decrease in service demands.

28. Impact Fees. Does the City have impact fees for road improvements and increased services (police, public works, city administration)?

Capitola collects development impact fees at the time a building permit is issued for new construction. These fees require property owners to pay their fair share of the costs associated with growth and the impacts of new development.

Currently, Capitola charges impact fees for the General Plan, Public Art, and Affordable Housing. The City does not currently have impact fees for streets, public safety, or other City services such as police, public works, or administration.

Historically, larger developments in Capitola were approved through Planned Development applications which included conditions of approval and agreements between a developer and the City. These agreements often included project-specific commitments, such as road improvements or community benefits, in exchange for certain development rights.

However, recent changes in State housing law have limited the City's ability to rely on development agreements or discretionary negotiations for housing projects. Cities are now required to use objective standards, which are clear, measurable rules that can be applied consistently without subjective interpretation. This ensures



Capitola Mall Frequently Asked Questions

Item 5 A.

that project reviews are transparent, predictable, and compliant with State housing law.

To establish any new impact fees (for example, to help fund roads or public services), the City must first prepare a nexus study. A nexus study demonstrates the legal connection (“nexus”) between new development and the need for additional public facilities or services. The study must also show that the amount of the fee is proportionate to the project’s impact. By law, cities can only collect impact fees that are supported by a documented nexus study, ensuring fees are fair, legally defensible, and tied directly to the impacts of new growth.

29. CEQA: Will the zoning updates for the mall be subject to CEQA?

The zoning updates will likely be exempt from CEQA. SB 131, which took effect in 2025, exempts rezoning that implements the schedule of actions contained in an approved housing element. (PRC § 21080.085) The mall zoning code updates will be amending current zoning regulations to implement Housing Element Program 1.7 for the mall site. As the zoning code updates are drafted for the mall, the City will continue to evaluate this exemption’s application to the potential changes.



[PDF] Input on Capitola Mall Zoning Amendments

From Santa Cruz YIMBY <santacruzylimby@gmail.com>

Date Fri 10/24/2025 10:02 AM

To PLANNING COMMISSION <planningcommission@ci.capitola.ca.us>

Cc Sesanto, Sean <ssesanto@ci.capitola.ca.us>; Herlihy, Katie (kherlihy@ci.capitola.ca.us) <kherlihy@ci.capitola.ca.us>; bnoble@bnplanning.com <bnoble@bnplanning.com>; hello@santacruzylimby.org <hello@santacruzylimby.org>

 1 attachment (128 KB)

Santa Cruz YIMBY - Capitola Mall Zoning Amendments-10-23-2025.pdf;

Hello Commissioners,

Please see attached for our input on Capitola Mall Zoning Amendments, the expected topic at your October 30 meeting.

If any questions come up ahead of the meeting, we are happy to clarify or provide additional information.

Thank you all for your service and commitment to the community,

Janine Roeth
Rafa Sonnenfeld
Jocelyn Wolf
Hope Armstrong
Ryan Meckel

volunteer leads, Santa Cruz YIMBY



October 23, 2025

To: Capitola Planning Commission

Re: Capitola Mall Zoning Code Amendments

Dear Planning Commissioners,

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

We are writing to provide input on the Capitola Mall Zoning Code Amendments. We have three main points:

1. **Ensure base density supports hotel and housing feasibility** to account for new state laws that limit density bonus benefits for the housing portions of mixed-use projects that include hotels.
2. **Recognize that the rezoning is legally exempt from CEQA** to avoid unnecessary delays and litigation risk.
3. **Update additional zoning standards**—including parking, community benefits, and bike share incentives—to better support housing and sustainability goals.

1. Hotels and Base Density

Capitola must decide whether it wants to include hotel uses as part of a future redevelopment of the Mall site. Two recently enacted state laws—**SB 92 (Blakespear, 2025)** and **AB 87 (Boerner, 2025)**—restrict the ability of projects that include hotels to benefit from density bonus waivers or concessions. As a result, any mixed-use development that includes a hotel will not be able to rely on those tools to achieve financial feasibility and meet RHNA obligations.

To make hotel uses viable, the city needs to ensure that base development regulations, including Floor Area Ratio (FAR), are sufficient to support both residential and hotel components. The current FAR of 2.0, even with a 75-foot height limit, is too low to achieve feasible residential or hotel projects and does not align with the city's Housing Element targets. For this project, a minimum FAR of 5.0 would better reflect the density and scale necessary to achieve the city's housing and economic development goals, including commitments in the Housing Element. Other jurisdictions implementing mall redevelopment projects have determined the

necessity of an increased FAR. For example, the Tanforan mall redevelopment in San Bruno has a FAR of 4.5.

2. Rezoning CEQA Exemption

This rezoning effort is, by law, exempt from CEQA. Under Public Resources Code section 21080.085, a “rezoning” that implements a schedule of actions contained in an approved Housing Element is statutorily exempt from CEQA. Capitola’s Housing Element Program 1.7 clearly qualifies, as it advances housing production, implements regulatory incentives, and removes constraints to the development of housing for all income levels.

Because this action is squarely within the city’s zoning authority under Government Code section 65850, no further environmental review is required. Conducting additional analysis or “tiering” from other studies would only introduce uncertainty, prolong the timeline, and expose the city to potential litigation from opponents who might use CEQA as a tactic for delay.

3. Other Zoning Amendments and Community Benefits

We recommend several related updates to improve the zoning code and ensure alignment with the city’s housing goals:

- **Eliminate or reduce parking minimums:** The current standards—2 spaces for units over 750 sq. ft., 1.5 for 500–750 sq. ft., and 1 for under 500 sq. ft.—discourage family-sized units and increase project costs, undermining housing goals. The Mall site is already a key Santa Cruz METRO bus stop and transit hub and has strong potential to evolve into a high-quality transit location in the future. However, it does not yet meet the formal definition of “high-quality transit” under AB 2097, and other parking-reduction tools, such as AB 2011, are unlikely to be used given the significantly higher labor costs they entail.

In addition, the Mall property is subject to reciprocal easement agreements (REAs) between existing tenants that already regulate parking supply and use. Because those agreements effectively ensure adequate parking, the city should allow developers to determine what parking is needed, rather than enforcing rigid minimums. Alternatively, parking reductions could be made available through the Community Benefits Incentive Program.

- **Make community benefits and the process fully objective:** The Incentives for Community Benefits should be both standardized and objective—meaning

that the criteria should apply consistently to all projects *and* the approval process should be free from discretionary review. This would ensure fairness, predictability, and compliance with state housing law requirements for objective standards. The Housing Element already commits the city to exempting parking garages from FAR, and the city should expand this approach to include additional FAR exemptions for public amenities and community benefits such as outdoor dining areas, community gathering spaces, and children's play areas.

- **Support bike-share as a core community benefit:** There are currently no BCycle docks near the Mall, and the private operator has determined they will not invest in additional stations without public or private subsidies. To promote sustainable mobility, the city should incentivize developers to help fund or install a BCycle station as part of their projects. In return, the city could offer parking reductions or other development incentives. This approach would strengthen the city's community benefits program, support reduced car dependency, and position the Mall as both a future transit hub and active transportation center for Capitola.

Capitola has already made strong commitments through its Housing Element, community outreach, and the forthcoming corridor plan. The next step is to **implement the Mall zoning standards**—with the right base density, CEQA exemption recognition, and clear, objective processes.

Thank you for your leadership and commitment to meeting Capitola's housing obligations.

Sincerely,

Janine Roeth
Rafa Sonnenfeld
Jocelyn Wolf
Hope Armstrong
Ryan Meckel
Volunteer leads Santa Cruz YIMBY.



Outlook

Please, send this back to the drawing board

From Bill Gray <graybil@gmail.com>

Date Thu 10/30/2025 5:43 PM

To PLANNING COMMISSION <planningcommission@ci.capitola.ca.us>

You are altering for the foreseeable future, the character of my community. The proposal authorizes an outrageous number of dwelling units, without adequate car parks, water, sewer infrastructure, and emergency services. Cut it down by 60% and build out a quality outdoor shopping mall model with housing above. That the only way this can fit in Capitola !

Capitola Mall Proposed Development

From Katy LaPlante <katylaplante3@gmail.com>

Date Thu 10/30/2025 6:06 PM

To PLANNING COMMISSION <planningcommission@ci.capitola.ca.us>

Hi there,

I am a Santa Cruz County resident and this email is to address the Capitola mall proposed development,

I support deeply **affordable** housing—not just tall luxury rentals. Housing here is already barely affordable for those who LIVE here. This would make matters worse.

I want strong Objective Design Standards: a maximum height of 65–75 feet, required retail on 41st, real open space, and protections for local businesses.

I demand a Fiscal Impact Analysis before any approvals—because a \$785 per unit cost to the city is not sustainable.

The proposed development is **NOT** considering what is best for Santa Cruz or its residents. Negative effects include:

- Nearby housing having huge shadow cast
- Loss of businesses- Target for instance, is a major store that the community frequents and the next closest one is in Scotts Valley.
- Increased traffic (the traffic is already horrible!)
- Increased traffic would also mean strained access to medical facilities and hospitals- this is dangerous since emergencies would be slowed down and could cost lives.

This is not an exhaustive list, but there are certainly more negative side effects.

Many of us feel the same way, and unfortunately, many of us cannot attend the meeting addressing this. I hope the communication the community has been sending about this will be seriously considered. Please don't let Santa Cruz County continue to go downhill, it is such a special place.