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Prepared January 19, 2011 (for February 11, 2011 hearing)

To: Commissioners and Interested Persons

From: Dan Carl, Central Coast District Manager
Susan Craig, Coastal Planner

Subject: City of Capitola LCP Amendment Number 1-10 Part 3 (Mixed Use Residential Development in the Community Commercial District). Proposed major amendment to the City of Capitola certified Local Coastal Program to be presented for public hearing and California Coastal Commission action at the Commission's February 11, 2011 meeting to take place at the Chula Vista City Council Chambers located at 276 Fourth Avenue in Chula Vista.

Summary

The City of Capitola is proposing to amend its Local Coastal Program (LCP) to allow residential mixed-use development in the C-C (Community Commercial) zoning district as a conditional use secondary to the primary commercial use. The City's coastal zone area to which the C-C district applies is very limited, stretching about 2,000 feet along 41st Avenue roughly from the Union Pacific railroad tracks (about one-half mile inland of the shoreline along 41st Avenue) farther inland to Capitola Road. 41st Avenue is the City's primary commercial corridor and is a regional commercial destination, and the C-C District is fully developed with a variety of commercial buildings and businesses. The proposed amendment will allow for consideration of certain mixed-use (i.e., multi-family residential and commercial) projects along this portion of inland 41st Avenue.

The Commission reviewed a previous version of the proposed amendment at its meeting in January 2010 (LCP Amendment Number CAP-2-09 Part 2). At that time, the Commission continued the public hearing on the amendment primarily due to concerns about a lack of detail and specificity regarding the proposed mixed-use regulations, and the way the proposed regulations might be used to facilitate conversion from commercial to residential development in the C-C zoning district. The Commission especially expressed concern that the proposed amendment at that time did not ensure that residential use in the C-C zoning district would be subordinate to the primary retail uses allowed in the C-C zoning district. The City subsequently withdrew that previous LCP amendment in order to better address the Commission's concerns.

The City subsequently developed more specific mixed-use criteria to address the Commission's concerns, including through close collaboration with Commission staff. Based on this effort, the City has resubmitted a revised LCP amendment with additional language that adds specificity to ensure that mixed use development is thoughtfully considered and will not lead to an inappropriate loss of commercial development in the C-C District. The City's new submittal limits potential residential use to multi-family residential units that are clearly subordinate to underlying commercial uses, including measures to ensure that first floor uses in the C-C zoning district are limited to commercial uses only,



and that commercial uses are emphasized through the use of architectural elements, first-floor ceiling heights, and adequate separation between commercial and multi-family residential uses. The City’s objective is to provide for some flexibility in terms of considering such mixed uses, but is premised on maintaining the 41st Avenue corridor (including the limited coastal zone portion of it that is located inland a half-mile from the shoreline) as a robust commercial core for the City and the region. Staff believes that the amendment is premised on, and is expected to result in, increased live-work opportunities and synergies associated with smart growth principles (e.g., reduced traffic, clustered urban development, etc.), and that the City’s revised language addresses the Commission’s previously expressed concerns regarding the potential for such mixed use projects to result in a conversion from commercial to residential uses. As such, Staff recommends approval of the proposed amendment as submitted.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on January 10, 2011. The proposed amendment affects the IP only, and the 60-day action deadline is March 11, 2011. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until March 11, 2011 to take a final action on this LCP amendment.

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I. Staff Recommendation – Motion and Resolution

Staff recommends that the Commission, after public hearing, approve the proposed amendment as submitted. The Commission needs to make one motion in order to act on this recommendation.

Approval of Implementation Plan Amendment as Submitted

Staff recommends a **NO** vote on the motion below. Failure of the motion will result in certification of the implementation plan amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.



Motion. I move that the Commission **reject** Implementation Plan Amendment Number CAP-1-10 Part 3 as submitted by the City of Capitola.

Resolution to Certify the IP Amendment as Submitted. The Commission hereby certifies Implementation Plan Amendment Number CAP-1-10 Part 3 as submitted by the City of Capitola and adopts the findings set forth below on the grounds that the amendment is consistent with and adequate to carry out the certified Land Use Plan. Certification of the Implementation Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Implementation Plan Amendment may have on the environment.

II. Findings and Declarations

The Commission finds and declares as follows:

A. Description of Proposed LCP Amendment

The proposed amendment would modify Section 17.27.060 of the IP to allow mixed-use (multi-family residential and commercial) development in the Community Commercial (C-C) zoning district. The proposed amendment would not require multi-family residential development in the C-C zoning district, but would allow for such residential use as a conditional use secondary to a primary commercial use on any site zoned C-C. Please see Exhibit A for the proposed amendment text and Exhibit B for the location of the C-C zoning district in the City's coastal zone.

B. Consistency Analysis

1. Standard of Review

The proposed amendment affects the IP component of the City of Capitola LCP. The standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified Land Use Plan (LUP).

2. IP Amendment Consistency Analysis

A. Applicable Land Use Plan (LUP) Policies

The following LUP policy (in relevant part) encourages mixed-use development in the coastal zone of the City of Capitola:

***LUP Policy 1-2:** It shall be the policy of the City of Capitola to encourage mixed commercial/residential development...*



Other sections of the LUP address the siting of priority visitor-serving and recreational uses. The LUP also provides for protection of the public viewshed, public access and recreation, and sensitive habitats within City limits.

B. Analysis

41st Avenue is the City's primary commercial corridor and is a regional commercial destination. 41st Avenue extends from the immediate shoreline almost 2 miles inland and past Highway One. The most seaward portion of 41st Avenue, extending about one-half mile inland of the shoreline along 41st Avenue to about the Union Pacific railroad tracks, is located outside of City limits in unincorporated Santa Cruz County. The portion of 41st Avenue that is in the County's jurisdiction is characterized by residential development nearest the ocean that generally transitions to gradually more intense commercial development as one moves more inland from about Portola Avenue. The City limits (at about the railroad tracks) is about one-quarter mile further inland of Portola Avenue, and the C-C District within the City extends from that point some 2,000 feet further inland to about Capitola Road. This area is fairly intensively built out with almost exclusively commercial development, again generally becoming more increasingly intensely developed (with larger and larger buildings and stores, including the Kings Plaza Shopping Center) as one extends farther inland. It is this roughly 2,000 foot section of the 41st Avenue corridor to which the proposed amendment would apply (again, see Exhibit B for a map of this area).

This C-C zoning district area is highly urbanized and is intensely developed with existing commercial uses. The proposed amendment would allow for, but not require, mixed-use (i.e., multi-family residential and commercial) development in the C-C zoning district provided any such multi-family residential development is clearly secondary and subordinate to primary commercial uses. The City's objective is to provide for some flexibility in terms of considering such mixed uses, including to facilitate the potential for live-work opportunities and synergies associated with smart growth principles (e.g., reduced traffic, clustered urban development, etc.), but it is clearly premised on maintaining the 41st Avenue corridor, including the limited coastal zone portion of it, as a robust commercial core for the City and the region. Toward this end, the City's proposal limits potential residential use to multi-family residential units that are clearly subordinate to underlying commercial uses, and includes a variety of measures to ensure that this is the case. These measures include requirements that all first floor uses in the C-C district be commercial uses only, i.e., no residential use would be allowed in the first floor of buildings in this district. To emphasize the primacy of commercial uses in this zoning district, the proposed amendment also requires that first floor ceiling heights are a minimum of 15 feet or 120% of the maximum ceiling height of the residential units located above the commercial uses, whichever is greater. The amendment also requires that commercial entries are the primary building entries and that these entrances contain strong architectural definition to distinguish them as such. Any entrances to upper floor residential uses must be secondary and visually unobtrusive (e.g., located at the rear of the building). The proposed amendment also requires that there be adequate separation of the different types of uses to avoid potential impacts from one use on another due to noise, lighting, odors, etc. Taken together, these measures mean that the City could consider upper floor multi-family residential uses



only in a context where the lower floor or floors were clearly commercial, and where this commercial element is clearly the primary component of the project. Critically, the amendment ensures that the physical scale of the required first-floor commercial operation be strongly emphasized (including requiring larger ceilings heights and commercial entry prominence, and de-emphasis of any residential entries and associated development, etc.). Such measures should be sufficient to ensure that any such mixed use developments continue to appear and operate as commercial uses.

It is important to note that the City did not require that a certain minimum percentage (e.g., 50%) of any building in the C-C zoning district be limited to commercial uses only. It chose not to do so in order to allow for the upper floors of a development (buildings in the C-C district may be constructed up to 40 feet) to be residential in certain cases. In the City's experience, commercial uses do not generally do well on upper floors, so a 50% commercial requirement would limit mixed use development to two stories, potentially stifling consideration of projects where additional upper floor residential development may be appropriate and encouraged. In any event, the amendment does not preclude commercial uses on the upper floors of buildings in the C-C zoning district and, as indicated before, does not require mixed uses. It will still ensure, however, at least some commercial element to any development, as residential uses are prohibited on the ground floor. The City's approach in this respect appears sound, including in light of the provisions put in place to ensure commercial uses are strongly emphasized as the primary uses, and these provisions should be sufficient to ensure that the C-C district remains a robust commercial area at the same time as facilitating appropriate smart growth in this urbanized and developed corridor.

In conclusion, the C-C zoning district in the City's coastal zone is a fairly limited portion of the 41st Avenue corridor located about one-half mile inland from the shoreline in an existing heavily developed urban commercial area, and it is an ideal location for applying the smart growth principle of mixed-residential/commercial use. Not only could it help to bring an enhanced community feel to this area, but it also could lead to related improvements associated with residents living near where they shop, recreate, and work (e.g., reduced traffic, etc.). For example, 41st Avenue and the surrounding area are located along a main public transportation line that will provide alternative transportation options for residents of any mixed-use development. The City's proposed amendment will allow for mixed use development to be thoughtfully considered as long as any residential components are clearly subordinate to the underlying commercial uses, and as such allows for an appropriate concentration of development while ensuring that it does not lead to an inappropriate loss of commercial development in the C-C District. The amendment thus provides for some flexibility in terms of considering such mixed uses, but is premised on maintaining the 41st Avenue corridor (including the limited coastal zone portion of it that is located inland a half-mile from the shoreline) as a robust commercial core for the City and the region. The proposed amendment will not have an adverse impact either individually or cumulatively on coastal resources, and should enhance the City's C-C-zoned areas. Therefore, as submitted, the proposed IP amendment will not impact coastal access or resources and is approved as being consistent with the certified LUP.



C. California Environmental Quality Act (CEQA)

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Local governments are not required to undertake environmental analysis of proposed LCP amendments, although the Commission can and does use any environmental information that the local government has developed. CEQA requires that alternatives to the proposed action be reviewed and considered for their potential impact on the environment and that the least damaging feasible alternative be chosen as the alternative to undertake.

The City of Capitola adopted a Negative Declaration for the proposed IP amendment and in doing so found that the amendment would not have significant adverse environmental impacts. This staff report has discussed the relevant coastal resource issues with the proposal. All public comments received to date have been addressed in the findings above. All above findings are incorporated herein in their entirety by reference.

As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the amendment would have on the environment within the meaning of CEQA. Thus, the proposed amendment will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).



COPY ORDINANCE NO. 949

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA REPEALING ORDINANCE NO. 937 IN ITS ENTIRETY AND AMENDING SECTION 17.27.060 OF THE CAPITOLA MUNICIPAL CODE PERTAINING TO CONDITIONAL USES IN THE CC - COMMUNITY COMMERCIAL ZONING DISTRICT BY ADDING PARAGRAPH ~~X~~ W,* TO ALLOW MIXED USE RESIDENTIAL DEVELOPMENT WITH LIMITATIONS

THE CITY COUNCIL OF THE CITY OF CAPITOLA HEREBY REPEALS ORDINANCE NO. 937 IN ITS ENTIRETY AND DOES ORDAIN AS FOLLOWS:

Section 1. Paragraph ~~X~~ is hereby added to Section 17.27.060 of the Capitola Municipal Code to read as follows: * W.

* ~~X~~ W. Multiple-family residences provided the residential use is secondary to a principle permitted use on the same lot subject to the following limitations within the Coastal Zone:

1. First floor uses shall be commercial uses.
2. Commercial ceiling height shall be greater in height than any residential ceiling height located above commercial uses.
3. First floor ceiling heights shall be a minimum of 15 feet or 120% of the maximum ceiling height of the residential units located above the commercial uses, whichever is greater.
4. Commercial entrances shall be the primary building entries and shall be accented with strong architectural definition. Residential entrances shall be secondary and de-emphasized (e.g., located at the rear of the building, visually unobtrusive, etc.).
5. Adequate separation of different types of uses shall be maintained in order to avoid potential adverse impacts from one use on another due to noise, lighting, odors, vibration, and general nuisances.
6. Adequate separation of different types of uses shall be maintained to protect the aesthetic values and primary uses of the site."

Section 2. This ordinance shall take effect upon final certification by the California Coastal Commission inside the Coastal Zone.

This ordinance was introduced on the 10th day of November, 2010, and was passed and adopted by the City Council of the City of Capitola on the 23rd day of November, 2010, by the following vote:

AYES:	Council Members Norton, Nicol, Begun, and Mayor Storey
NOES:	Council Member Graves
ABSENT:	None
ABSTAIN:	None
DISQUALIFIED:	None

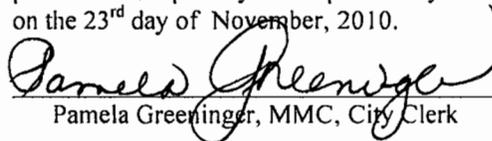
ATTEST:

 MMC
Pamela Greeninger, City Clerk

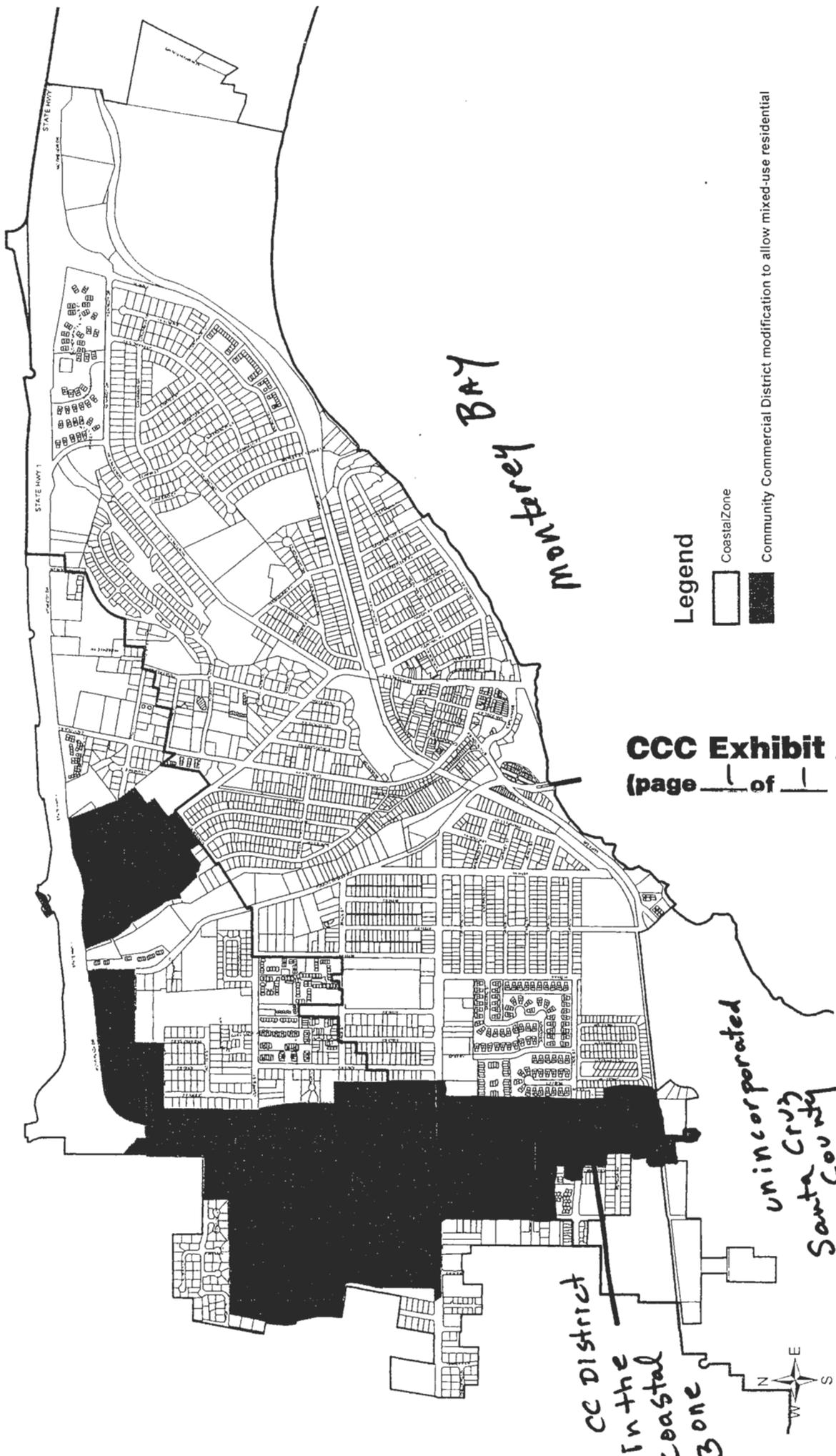
APPROVED: 
Sam Storey, Mayor

CCC Exhibit A
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This is to certify that the above and foregoing is a true and correct copy of Ordinance No. 949 passed and adopted by the Capitola City Council on the 23rd day of November, 2010.


Pamela Greeninger, MMC, City Clerk

* Note: Due to a clerical error Paragraph V. was changed to "W." for codification.



Legend

- Coastal Zone
- Community Commercial District modification to allow mixed-use residential

CCC Exhibit B
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CC District
 in the
 Coastal
 Zone

unincorporated
 Santa County

