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W16a

Prepared July 24, 2026 for August 12, 2026 Hearing

To: Commissioners and Interested Persons

From: Dan Carl, Central Coast District Director
Rainey Graeven, Central Coast District Supervisor
Kiana Ford, Coastal Planner

**Subject: City of Capitola LCP Amendment Number LCP-3-CAP-26-0017-1-Part C
(ADUs/Multifamily Zoning)**

Proposed Amendment

The City of Capitola proposes to modify the Implementation Plan (IP) component of its Local Coastal Program (LCP) to refine the regulations governing accessory dwelling units (ADUs, including junior ADUs, or JADUs) in accordance with state housing law (including recent changes associated with Assembly Bills 976, 587, 1033, and 2533, and Senate Bill 1211), and expand the residential multifamily zoning designation, all of which is related to the City's 2023-2031 Regional Housing Needs Allocation (RHNA).¹ The majority of the changes to the ADU regulations are clarifying in nature, while more substantive changes include allowing architectural resource standards to apply only to ADUs with designated historic resources located within the coastal zone; removing HOA approval requirements for ADU applications; increasing the number of allowable detached ADUs on parcels with multifamily dwellings from two up to eight; and adding standards requiring ADUs to be rented for longer than 30 days, all of which serves to bring the LCP into compliance with state law. And in terms of the changes to residential multifamily zoning, the proposed amendment would create two new residential multifamily zoning designations (RM-30 and RM-40, which allow for maximum residential densities of 30 and 40 dwelling units per acre, respectively) and apply those new designations to five areas within the City's coastal zone.²

The proposed amendment thus serves to update the City's LCP to align with various state housing laws, to further the City's RHNA goals, and to add new residential

¹ The City of Capitola's 2023-2031 Housing Element was reviewed and approved by the California Department of Housing and Community Development (HCD) on August 30, 2024; it requires that the City provide for 1,336 new housing units, of which 430 are required to be reserved for very-low income households and 282 for low income households.

² The five areas are located at 600 Park Avenue, Rosedale Avenue and Hill Street, Capitola Avenue and Hill Street, Capitola Cove, and the Capitola Gardens (see **Exhibit 2**). Each of these areas are currently zoned Residential Multifamily (RM) and have maximum densities between 10 and 20 dwelling units per acre.

multifamily zoning classifications (and apply them to five sites), and is the culmination of extensive outreach and coordination with the community, developers, and the California Department of Housing and Community Development (HCD). Broadly, the proposed amendment seeks to foster and facilitate ADU development and to increase residential multifamily housing densities in identified areas, all as a means of increasing housing stock within the city.

See **Exhibit 1** for the text of the proposed IP changes in ~~striketrough~~ (for proposed deletions) and underline (for proposed additions) format, and see **Exhibit 2** for the proposed changes to the IP's zoning map.

De Minimis LCP Amendment Determination

Pursuant to Coastal Act section 30514(d), the Executive Director may determine that a proposed LCP amendment is "de minimis" if the amendment meets the following three criteria:

1. The proposed amendment would have no impact, either individually or cumulatively, on coastal resources, and it is consistent with Coastal Act Chapter 3.
2. The proposed amendment does not propose any change in use of land or water or allowable use of property.
3. The proposed amendment was properly noticed by the local government at least 21 days prior to submittal³ to the Commission (i.e., by posting notice on-site and off-site in the affected area, publishing notice in the local newspaper, and/or mailing notice to owners and occupants of affected and contiguous properties).

If the Executive Director determines that an amendment is de minimis, that determination must be reported to the Commission. If three or more Commissioners object to the Executive Director's de minimis LCP amendment determination at that time, then the amendment is set for a future public hearing as a regular LCP amendment. If not, then the amendment is deemed approved and it becomes a certified part of the LCP upon adjournment of the Commission meeting on that date.

The purpose of this notice is to advise interested parties of the Executive Director's determination that the proposed LCP amendment is de minimis.

De Minimis LCP Amendment Analysis

Each of the de minimis criteria are discussed briefly below

1. No impact to coastal resources and consistency with Coastal Act Chapter 3

As the Commission is aware California faces a housing crisis, particularly an affordable-housing crisis, that is especially acute in the coastal zone. To address this critical need, the State Legislature has enacted a number of housing laws in the last several years

³ An LCP amendment is deemed to have been "submitted" when it has been determined that it includes all of the necessary supporting documentation and information required by the Coastal Act and the Commission's implementing regulations, and is 'filed' by Commission staff as complete.

that are designed to eliminate barriers to providing housing and to help foster additional housing units – particularly critically needed affordable units – where they can be appropriately accommodated by adequate public services and where, in the coastal zone, they will not adversely affect coastal resources.

Toward this end, a series of changes to state housing law have been implemented in the last few years to facilitate the construction and permitting of residential development, including ADUs/JADUs. Importantly, state law continues to explicitly require that the Coastal Act (and by extension LCP) coastal resource protections be upheld. In short, LCP ADU updates broadly seek to seamlessly synthesize state ADU housing law changes with the Coastal Act and/or LCP in a way that protect coastal resources while also reducing and eliminating barriers to ADUs. Here, the City of Capitola has done just that with this proposed LCP amendment, and HCD found that the proposed LCP amendment complies with state housing law.

The Commission has certified several LCP amendments over the years to provide for ADUs in the City's coastal zone, and these amendments have appropriately provided for ADU development while respecting coastal resources. The proposed amendment builds on that proven track record by providing additional refinements in compliance with recent state ADU law changes. Many of the changes are non-substantive corrections and clarifications, while the substantive changes (primarily related to historic resources, homeowner's associations (HOAs), and the number of detached ADUs allowed on multifamily parcels) seek to comply with state housing law. All of these changes can be understood as relatively minor modernizing refinements that bring the LCP into conformance with state law as well as facilitate ADU housing production. Importantly, the proposed amendment would not modify the LCP's coastal resource protection requirements and do not raise core coastal resource concerns (e.g., related to environmentally sensitive habitats areas and their buffers, coastal bluffs and their buffers, public coastal access, and public views).

In addition, as described above, the proposed LCP amendment would establish two new residential multifamily (RM) zoning designations and their development standards, and apply those new designations to five areas within the City's coastal zone.⁴ Currently, the RM zoning is divided into three subzones: RM-L with a maximum zoning density of 10 units/acre; RM-M with a maximum zoning density of 15 units/acre; and RM-H with a maximum zoning density of 20 units/acre. The proposed amendment would rename these subzones to RM-10, RM-15, and RM-20, respectively, and create RM-30 (with a maximum of 30 units/acre) and RM-40 (with a maximum of 40 units/acre), and would establish new development standards (e.g., height, setbacks, etc.) for the newly created subzones in line with the currently established standards for the existing subzones. Within the coastal zone, the changes would affect five sites primarily located along the inland boundary of the City's coastal zone, and identified by the City (through extensive planning and outreach) as prime locations to increase housing density in order to facilitate multifamily housing development. The proposed amendment would not affect existing LCP requirements related to coastal development

⁴ The City has also applied these new zoning designations to two areas located outside of the coastal zone.

permit findings, public hearings, and LCP consistency review, and would not apply in areas of Capitola closest to the immediate shoreline (such as Depot Hill and the Village). In other words, all of the housing facilitated by the proposed amendment would be expected to be consistent with the LCP coastal resource protection framework, thereby ensuring that needed housing opportunities are being carried out in a protective manner.

In sum, the proposed amendment includes appropriate updates, here in terms of ADUs and residential multifamily zoning, to help increase housing stock in the City and in a manner that protects coastal resources while also providing for important housing opportunities. Thus, the proposed amendment will have no impact, either individually or cumulatively, on coastal resources, and it is consistent with the policies of Chapter 3 of the Coastal Act. The proposed amendment thus meets the first de minimis LCP amendment test.

2. No change in use of land or allowable use of property

The proposed amendment refines the manner in which ADUs are allowed in the City's coastal zone under the LCP, and increases allowed density for five sites, but it does not change any LCP-allowed uses of land or LCP-allowed uses of property (i.e., residential uses are already allowed in each of the zoning districts specified). It thus meets the second de minimis LCP amendment criterion.

3. Provision of public notice

The City provided public notice, including via newspaper notice,⁵ in advance of City Planning Commission hearings (held on May 2, 2024, June 6, 2024, August 15, 2024, March 3, 2025, and August 21, 2025) and City Council hearings (held on September 11, 2025 and September 25, 2025) at which proposed amendment was considered. The proposed text was made available at the City Clerk's office and on the City's website for public inspection, all in advance of the City's hearings. The amendment submittal was subsequently received by the Commission on April 23, 2026 (and filed as complete on June 5, 2026), and therefore, the 21-day noticing requirement, and the third and final de minimis LCP amendment test, has been satisfied.

California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are not required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the City exempted the proposed amendment from environmental review (citing California Code of Regulations (CCR) Sections 15061(b)(3) and 15282(h), and CEQA Sections 21080.085 and 21080.17), determining that the amendment

⁵ The City hosted a community workshop on February 24, 2025 and the proposed amendment was noticed via newspaper notice on August 1, 2025 and September 17, 2025.

implements state law regarding accessory dwelling units, implements rezonings for a certified Housing Element, and there is no possibility the amendment will significantly affect the environment.

The Coastal Commission is not exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues raised with the proposal, and has concluded that approval of the proposed amendment is not expected to result in any significant environmental effects, including as those terms are understood in CEQA. Therefore, it is unnecessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) as there are no significant adverse environmental effects that approval of the proposed amendment would necessitate. Thus, the proposed amendment will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

Coastal Commission Concurrence

The Executive Director will report this de minimis LCP amendment determination, and any comments received on it, to the Coastal Commission at its August 12, 2026 meeting in Scotts Valley. If you have any questions or need additional information regarding the proposed amendment or the method under which it is being processed, please contact Kiana Ford at the Coastal Commission's Central Coast District Office by email at kiana.ford@coastal.ca.gov. If you wish to comment on the proposed amendment and/or object to the proposed de minimis LCP amendment determination, please do so via regular mail (directed to the Central Coast District Office) or email (by emailing centralcoast@coastal.ca.gov) by 5:00 p.m. on August 7, 2026.

Procedural Note - LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on June 5, 2026. The proposed amendment affects the LCP's IP only, and the 60-working-day deadline for the Commission to take action on it is August 28, 2026. Thus, unless the Commission extends the action deadline (it may be extended by up to one year by the Commission per the Coastal Act), the Commission has until August 28, 2026 to take a final action on this LCP amendment.

Therefore, if three or more Commissioners object to the Executive Director's determination that this amendment is de minimis, then staff recommends that the Commission vote to extend the deadline for final Commission action on the proposed amendment by one year. To do so, staff recommends a YES vote on the motion below. Passage of the motion will result in a new deadline for final Commission action on the proposed LCP amendment. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion: I move that the Commission extend the time limit to act on City of Capitola Local Coastal Program Amendment Number LCP-3-CAP-26-0017-1-Part C to August 28, 2027, and I recommend a yes vote.

Exhibits

Exhibit 1: Proposed IP Amendment Text

Exhibit 2: Proposed IP Zoning Map Changes