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April 29, 2008

HOUSING POLICY
DEVELOPMENT, HCD

MAY 07 2008

Ms. Cathy Creswell, Deputy Director
Department of Housing and Community Development
Division of Housing Policy Development
1800 Third Street, Room 430
Sacramento, CA 95814

RE: Annual Report on the General Plan
City of Capitola

Dear Ms. Creswell:

The City of Capitola is pleased to submit this Annual Report on the General Plan for the calendar years 2005-2007. The City made some incremental progress toward implementing its General Plan during the years 2005-2007. However, since the last General Plan Annual Report was submitted for FY 2003/04, the primary emphasis has been upon preparing for a Comprehensive Update of the General Plan. This will be a city-wide, highly participatory planning process with the focus of incorporating the goal of Sustainability throughout the document. Previous to 2007, the policy of the Governor's Office of Planning and Research was that jurisdictions involved in the process of updating their General Plan were not required to submit a full General Plan Annual Report. However, this policy has changed this year, and therefore this Annual Report includes General Plan Implementation information for 2005-2007. This Report on the General Plan was reviewed and accepted by the City Council on April 24, 2008. A Housing Element Report for 2007 was submitted separately on March 19, 2008.

We look forward to your review. Please give me a call at (831) 475-7300 if you have any questions or need additional information.

Sincerely,

Juliana Rebagliati, AICP
Community Development Director

Attachments:
Annual Report on the General Plan 2005 – 2007

City of Capitola



HOUSING POLICY
DEVELOPMENT, HCD

MAY 07 2008

**ANNUAL REPORT ON THE GENERAL PLAN
2005-2007**

Prepared by the
City of Capitola Community Development Department
March 2008

Presented to the City Council
at the
April 24, 2008 Regular Meeting

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INTRODUCTION

The California Government Code requires all cities and counties in the state to adopt general plans to guide future development and to provide a rational basis for official decisions regarding physical development. The Capitola General Plan was adopted by the City Council in 1989 after a public process as required by law.

Section 65400(b) of the Government Code requires the planning department of each jurisdiction to provide an annual report to their legislative body (the City Council in the case of Capitola), and to the State Office of Planning and Research and Department of Housing and Community Development. This annual report must provide current information on the status of the General Plan and on progress in implementing its goals and policies. The report must include the progress in meeting the jurisdiction's share of regional housing needs as determined by the regional Council of Governments (AMBAG), and must describe local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to Section 65583(c)(3).

This annual report covers the calendar years 2005-2007. The main purposes of the annual report, as intended by state law, are the following:

- To provide enough information to allow the Council to assess how the General Plan is being implemented in accordance with adopted goals, policies, and implementation measures;
- To provide enough information to identify necessary "course adjustments" or modifications to the General Plan, as a means to improve local implementation;
- To provide a clear correlation between land-use decisions that have been made during the reporting year and the goals, policies, and implementation measures contained in the General Plan;
- To provide information regarding the City's progress in providing its fair share of regional housing needs, and its efforts to remove governmental constraints to the development of housing.¹

In addition to the above purposes, this process provides residents, local officials, and city staff with the opportunity to reflect upon the General Plan, whether it is being implemented as intended, and whether it continues to serve as an adequate guide for future development and the ongoing needs of the City.

ADMINISTRATION OF THE GENERAL PLAN

Capitola's first General Plan was adopted in 1964, and guided the City's intense expansion for the next decade. That document was revised in 1973, and in 1974 a new General Plan was adopted. The current General Plan was adopted by the City Council on September 28, 1989, and as the City's third General Plan provided a solid foundation and set of guiding principles for the City.

¹ *State of California General Plan Guidelines 2003*, Governor's Office of Planning and Research, October 2003.

Status of the General Plan

State law requires every city and county to adopt a general plan that includes a chapter, also known as an "Element," on each of seven mandatory topics: Land Use, Housing, Open Space, Circulation, Noise, Conservation, and Safety. Local governments may also include other elements if desired. Many local governments include optional elements such as: public facilities and/or capital improvements; energy; water (or water & sewer); parks and recreation; economic development; community design (may include historic preservation); and air quality. The current City of Capitola General Plan does not include any optional elements, although the Open Space Element does include optional content on Parks and Recreation. There are also several policies for the preservation of cultural and historical resources within the Local Coastal Program portion of the Open Space Element.

Table 1 below shows each element and when it was adopted or updated.

Table 1: Status of General Plan Elements

Element	Date of Adoption	Date of Update or Major Revision
Land Use	1989	
Housing	1989	2004
Open Space, Parks & Recreation	1989	
Conservation	1989	
Safety	1989	
Noise	1989	
Circulation	1989	
Local Coastal Program (distributed through all elements)	1981	

According to state law, the General Plan should be kept current using two techniques: comprehensive updates and amendments. Comprehensive updates involve rewriting an entire element using current data and focusing on currently known issues, and are usually undertaken only once every five or more years. State law mandates that the Housing Element must be updated every five years, while there are no state requirements that the other elements be updated according to a specific time frame.

Amendments are minor changes made to any given element, most commonly the Land Use Element, such as changing the land use designation of a property from one type to another. State law limits the number of amendments that can be made to any one of the required seven elements to no more than four per year (for each element). Exceptions to this limit are allowed for all optional elements, for amendments necessary to accommodate affordable housing, and for several other types of exempt amendments. Any person can apply for an amendment to any part of the General Plan, or the City can initiate an amendment. Amendments must be considered by the Planning Commission and adopted by the City Council, or may be adopted by the initiative and referendum process, provided the proposed amendment will meet all the standards for general plans set forth by state law.²

The only element of the Capitola General Plan to be updated since 1989 is the Housing Element, which is required by state law to be updated every 5 years or so. The City undertook the recent Update process between 2001 and 2003. In September 2003 the City submitted the Draft Update to the Department of Housing and Community Development (HCD) for review. The City

² Confirmed by the CA Supreme Court in *DeVita v. County of Napa (1995) 9Cal.4th 763*.

adopted the Housing Element Update on March 25 2004, and the State certified the Housing Element Update in May 2004.

Annual Progress Reports For The General Plan And Housing Element

General Plan Annual Progress Reports: The last General Plan Annual Progress report was submitted to the Governor's Office of Planning and Research (OPR) for FY 2003-04. In May 2004, the City began the process of planning for a comprehensive update of the General Plan. In the past, the OPR did not require an annual report from cities undertaking a comprehensive General Plan update. Instead, OPR accepted a brief letter describing the status of the update, description of the scope of work, and an anticipated completion date, in lieu of an Annual Progress Report. This policy changed last year, with OPR's revised "General Plan Annual Progress Report Guidance," issued July 2007. The new OPR Guidance indicates that OPR no longer accepts such letters in lieu of an Annual Progress Report. Therefore, this General Plan Annual Progress Report has been prepared for the calendar years 2005-2007.

Housing Element Annual Progress Reports: The Housing Element of the General Plan identifies and analyzes existing and projected housing needs and includes a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The Housing Element is required to identify adequate sites for housing, including rental housing, and to make adequate provisions for the existing and projected needs of all economic segments of the community. California Government Code Section 65400 requires the City to file an annual report to its "legislative body", the State Office of Planning and Research (OPR), and the State Department of Housing and Community Development (HCD). The report is required to provide information on the status of the Housing Element and the City's progress in implementing its programs as well as its progress in meeting regional housing needs goals.

The City of Capitola adopted the 2000-2007 Housing Element Update on March 25, 2004 and the State Department of Housing and Community Development (HCD) found it to be in substantial compliance with the housing element law on May 7, 2004. A first annual report was submitted covering FY 03-04. Due to staff shortages and changes in 2005 our next report covered both FY 04-05 and FY 05-06. In March 2007 Capitola submitted a report covering the period from July 1, 2006 through December 31, 2006.

On March 19, 2008, the City submitted the 2007 Housing Element Annual Progress Report to the Office of Planning and Research. This Housing Element Annual Report is also included as part of this Annual Report as Appendix 1.

COMPREHENSIVE UPDATE OF THE GENERAL PLAN

In 2004 the City began exploring methods to conduct a comprehensive update of the city's General Plan. In May 2004, the City Council adopted a General Plan Maintenance Fee in accordance with AB 2936, which was passed by the State legislature in 2002 to enable cities to collect fees "reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations". This fee was established to cover the cost of a comprehensive update of the City's General Plan as well as the cost of consultant time dedicated to ongoing maintenance of the General Plan/Local Costal Program, Zoning Ordinance, and other policy studies. The fee is collected at the time of building permit issuance and is based on the project construction valuation.

Since Fiscal Year 04-05, the City Council has collected the General Plan Maintenance fee to support the General Plan Update. In addition, the Council has transferred over \$200,000 from

the General Fund to the General Plan Maintenance Fee Fund toward this effort. Since 2005, staff and elected officials have actively pursued plans for a Comprehensive Update of the City's General Plan.

Overall Approach to the General Plan Update

The City Council adopted the "City of Capitola General Plan Update: Overall Approach, Budget and Timeline," in 2007. As summary, the General Plan Update Process will include the following:

- 1) Inclusion of two additional Elements: Community Design/Historic Preservation, and Economic Development
- 2) Identification of Sustainability as a guiding principle of the General Plan, in accordance with City Council goals
- 3) Creation of a temporary two-year Senior Planner "General Plan Coordinator" position to staff the update
- 4) Use of a consulting firm to produce the revised General Plan, all Elements, technical products, an Environmental Impact Report and potentially an Updated Local Coastal Plan
- 5) A staff citywide team approach, including creation of a General Plan Team of Community Development Director, the General Plan Coordinator, the City Manager, chair of the Planning Commission, directors of the Public Works, Police, and Finance Departments, and two City Council members.
- 6) Creation of a General Plan Advisory Committee made up of the Planning Commission (5 members), five at-large community representatives, and one representative of the Economic Development Committee
- 7) A broad public participation process to be developed by the chosen consultant and reviewed by the City Council.
- 8) The timeline calls for completion of the General Plan Update by 2010.

Additional Elements to be Included in the Updated General Plan

The law allows a city to prepare additional Elements as they deem appropriate and necessary to the particular issues which that community faces. In general, most issues can be included within the context of the seven required Elements. In fact, some issues are broad enough that they are most effectively addressed in each of the Elements, rather than as a separate chapter. However, in some cases, adding an additional Element provides a needed context for the development of a specific vision for the City. The two additional planned elements are included below.

The *Community Design/Historic Preservation Element* will develop a set of guidelines to ensure development whose character meets the community's overall vision. It will help to sustain compatibility between types of development, provide plans for the architectural and aesthetic integrity of the city, and provide clear guidelines for maintaining the city's historic character. In order to begin the process of preparing for the Community Design/Historic Preservation Element, in 2006, an architectural historian compiled a list of potentially historic properties in the City.

The *Economic Development Element* will include policies to guide the city's economic vitality into the 21st century. The goal of this Element would be to develop an innovative, viable and sustainable local economic climate, and reinforce the planning process as a positive part of economic development. It would foster the expansion of the local tax base, enhanced local employment opportunities, and promote policies to assist and broaden the economic climate for local small businesses.

In 2006, the City adopted an Economic Development Strategic Plan, after a study funded by a Community Development Block Grant. Implementation of the Strategic Plan has begun, including outreach with local businesses, and three additional grants: 1) a study of Village Circulation and

Parking issues, 2) a study of the City's major commercial corridor (41st Avenue) for mixed-used potential, and 3) the potential for a re-use of the current City Hall Site.

Sustainability As A Keystone Of The General Plan Update

The City Council has set the goal that sustainability will guide the development of the General Plan Update. Initially, that involved obtaining the services of WSM Environmental Inc. and Ed Quevedo to provide support at the early stages of the process by conducting General Plan Sustainability Workshops.

Over a number of years Sustainability has been defined as meeting the many and diverse needs of the present without compromising the ability of the future generations to meet their own needs. In essence, its goal is to provide long-term viability and progress by identifying, calculating and improving the environmental, social, and economic consequences of city enterprises. Experts in this field point out that Sustainability is about continuity looking ahead not just twenty years, but 100 years or more, and finding the community where they live still functioning and thriving.

Ultimately, rather than a narrow set of prescriptions or plans, Sustainability is an overall decision-making tool which affects all areas of city government. It asks what kinds of resources are required in municipal government, planning and development, and how will we use them today and where will they come from in the future? As such, environmental, economic and social sustainability becomes a thread throughout all City decisions, and the creation of a process in which the traditional cost/benefit analysis is expanded. Experts recommend specifically identifying sustainability targets and carefully measuring and monitoring them.

In addition, due to recent state legislation on global warming, all California jurisdictions are now required to take state-mandated emissions reduction goals into account when developing their General Plan. AB 32, the Global Warming Solutions Act, was passed in 2006 by the California legislature. It commits the state of California to reduce its global warming emissions to 2000 levels by 2010 (11% below business as usual), to 1990 levels by 2020 (25% below business as usual), and to 80% below 1990 levels by 2050.

Specific Actions during 2005-2007 Regarding Sustainability

The City took a number of actions towards implementing the goal of Sustainability, including:

- Creation of the Commission on the Environment, an active citizen committee appointed by City Council, along with representatives from outside agencies with technical or policy information and support.
- Hosted well-attended community forums on Sustainability, the concept of Peak Oil, Climate Change and its impact on local water supplies.
- Hosted a Watershed Festival to educate the local community regarding the health of Soquel Creek and the beach/ocean watershed, including participation by several federal, regional and local agencies.
- Developed a number of ordinances to address community sustainability, responding to local concerns regarding the environment, listed as actions under various Elements.
- Recommendation of Green Building Ordinance to City Council.
- Conducted a workshop by an experienced Sustainability Consultant for City Staff from all departments on incorporating Sustainability into Capitola's General Plan

IMPLEMENTATION OF THE GENERAL PLAN

The following information regarding General Plan implementation was gathered from files of the City Council and Planning Commission meetings held during 2005-2007, interviews with City staff, and from Planning, Public Works, Police Department and Building records.

Land Use Element

The Land Use Element is the basis for the General Plan, as it designates the allowable uses for every piece of land in the city, including private and public property, streets and waterways, and open spaces. The General Plan Land Use map designates different categories of uses, such as commercial, residential, and so on, for various areas of the city. Some of the actions taken by the City related to the Land Use Element include:

2005

- Rezoned two parcels to Planned Development for a twelve-lot subdivision with twelve single-family homes and four accessory dwelling units.
- Adopted text amendments to the Municipal Code pertaining to Single Family Residential zoning development standards, with Coastal Commission approval (Local Coastal Program).
- Amended various sections of the Municipal Code Zoning Ordinance to implement the Local Coastal Plan relative to secondary dwelling units, visitor-serving uses, landscaping certain sensitive properties and development of two unique visitor-serving properties.
- Amended the Zoning Map of the Municipal Code Zoning Ordinance to reflect final Local Coastal Plan certification of certain specific parcels by the Coastal Commission.
- Amended Public Art Ordinance for application to new commercial development.
- Rezoned one parcel to Planned Development for a five-lot single-family subdivision project.
- Approved several minor lot splits with new units on the resulting parcels
- Approved a number of additions and modifications to historic homes consistent with the Secretary of Interior Standards for Historic Buildings.

2006

- Rezoned one parcel to Planned Development for a three-lot single-family subdivision project.
- Rezoned one parcel from Community Commercial to Planned Development for a 56-unit condominium project for a mixed-use workforce housing/commercial development, with eight inclusionary units.
- Rezoned one parcel to Planned Development to protect low-income senior rental apartments, and to allow rehabilitation of the property, increasing the number of low-income senior rental units from 96 to 109.
- Amended the Municipal Code Zoning Ordinance and other Sections to provide flexibility in parking options for Capitola Village
- Approved several minor lot splits with new units on the resulting parcels
- Approved a number of additions and modifications to historic homes consistent with the Secretary of Interior Standards for Historic Buildings.

2007

- Approved several minor lot splits with new units on the resulting parcels
- Approved a number of additions and modifications to historic homes consistent with the Secretary of Interior Standards for Historic Buildings.

Open Space, Parks & Recreation

This Element deals with the protection and creation of open space areas, parks, and recreational facilities and services, including pedestrian and cycling facilities. The City took several actions related to this element:

- Amended the Municipal Code Zoning Ordinance and Local Coastal Implementation Program to prohibit new development from encroaching on Soquel Creek Public Pathway (2005).
- Miscellaneous public safety amendments to the Municipal Code relative to boat mooring, beach uses and rodent/vermin control (2005).
- Adopted a Municipal Code Amendment regarding signage to regulate hours of use and access to public property, especially public parks (2005).
- Resurfaced Tennis Courts at Jade Street Park (2005).
- Installed new play equipment at Jade Street Park (2006).
- Completed landscape improvements along public pathway at Prospect Park (2006).
- Restored and built stairways from neighborhoods to Capitola Beach and Village area (2006).
- Held several well-attended of community hearings on possible locations for a dog park and for a skate park within the City (2006/07)
- Built a Tot Lot at the City Library site (2007).
- Obtained grant to purchase significant creekside historic property for use as a public park (2007).
- Obtained grant for use in enhancing the Coastal Trail in Capitola (2007.)
- Constructed a public bandstand at Esplanade Park at Capitola Beach (2007).

Conservation Element

The Conservation Element covers the protection and management of natural resources, such as beaches and creeks; and public resources, such as water supply and wastewater treatment systems. During this fiscal year, the City undertook the following actions related to this Element:

- In all years, active implementation of the Soquel Creek Lagoon Management and Enhancement Plan, with regular monitoring and reporting by fisheries biologists.
- Accepted Conservation Easements for properties with riparian habitats along Soquel Creek (2005).
- Adopted Municipal Code Amendment to protect paleontological resources at the Depot Hill Bluff, limiting removal of cliff rocks and geologic materials for purposes of scientific review only (2005).
- Amended Municipal Code to limit the use of polystyrene foam disposable food service ware and require compostable and biodegradable food packaging materials in disposable food serviceware by food vendors and City facilities (2006).
- Initiated collection and analysis of background data to restore monarch butterfly habitat at Rispin Mansion property (2007).

Safety Element

The Safety Element deals with city services and facilities that protect the safety of city residents and visitors as well as prevents property damage from natural catastrophes and other emergencies. These include fire and police services, emergency preparedness, and protection from hazardous materials, earthquakes and flooding. During 2005-07, City actions relating to this

element included amending the Municipal Code to address beach and park safety, as mentioned under the Open Space Element. In addition the following actions were taken:

- In 2006-2007, installed red-light cameras to reduce collisions at unsafe intersections.
- Adopted the National Response Plan (NRP) National Incident Management System (NIMS) guidelines, and NIMS certified the City staff.
- Actively participate in the Santa Cruz County Emergency Management Council (EMC), including drills, functional and full scale exercises for street command and our EOC. Specifically, appropriate city staff are "all-hazards" trained including terrorism responses.
- The City is communications interoperable working on p-25 compliance. Capitola is a member of the San Francisco region Urban Area Security Initiative (UASI).
- Participate with the Calif. Department of Social Service to set up a county wide shelter program for special needs population and the elderly. Our Elder Care Task Force is partnered with the Seniors Council to provide emergency outreach to seniors.

Noise Element

The primary goal of this Element is to minimize noise impacts to noise-sensitive land uses, such as schools and residential areas. The primary source of noise identified in this Element is traffic, primarily that on Highway 1 and major corridors such as Forty-First Avenue. Other sources of noise include local construction, leaf blowers and sweeping machines.

During 2005, the City amended the Municipal Code relative to construction-related noise. In 2006, the Municipal Code was amended to address noise from leaf blowers and parking lot sweeping machines. In 2007, these codes were again amended with more stringent restrictions on leaf blowers.

Circulation Element

The Circulation Element includes goals and policies relating to transportation and transportation facilities, such as highways, transit services, streets and roads, sidewalks, bikeways, and parking spaces. During 2005-07 the City took a number of actions to implement the Circulation Element:

- In 2006, entered into an Agreement with the County of Santa Cruz and Home Depot for improvements to the 41st Avenue/Highway 1 Overpass.
- Obtained grants and conducted two studies analyzing for parking and circulation options in and around Capitola Village.
- In 2006 and 2007, completed significant repaving of local City streets, including ADA improvements.
- Continued active program to enhance accessibility of sidewalks and street crossings
- In 2005, adopted City Bicycle Plan, and continue to actively seek funding to implement recommendations of Plan

CONCLUSION

In conclusion, the City made some incremental progress toward implementing its General Plan during the years 2005-2007. However, since the last General Plan Annual Report was submitted for FY 2003/04, the primary emphasis has been upon preparing for a Comprehensive Update of the General Plan. This will be a city-wide, highly participatory planning process with the goal of incorporating the goal of Sustainability throughout the document. Previous to 2007, the policy of the Governor's Office of Planning and Research was that jurisdictions involved in the process of updating their General Plan were not required to submit a full General Plan Annual Report. However, this policy has changed this year, and therefore this Annual Report includes General Plan Implementation information for 2005-2007.