

ORDINANCE NO. 2024-18

AN ORDINANCE OF THE CITY OF SANTA CRUZ AMENDING SANTA CRUZ MUNICIPAL CODE CHAPTERS 21.06 - RESIDENTIAL RENTAL DWELLING UNIT INSPECTION AND MAINTENANCE PROGRAM AND 24.08 - LAND USE PERMITS AND FINDINGS; AMENDING CHAPTER 24.16 PART 1 – INCLUSIONARY HOUSING REQUIREMENTS AND PART 2 – ACCESSORY DWELLING UNITS TO MAINTAIN CONSISTENCY WITH STATE REGULATIONS, CLARIFY EXISTING STANDARDS, AND TO REQUIRE PROPERTIES WITH ACCESSORY DWELLING UNITS THAT ARE RENTED TO ENROLL IN THE RESIDENTIAL RENTAL INSPECTION SERVICE; AND TO REPEAL ORDINANCE NOS. 2022-22 AND 2023-01. (CEQA: EXEMPT PURSUANT TO CEQA GUIDELINES SECTION 15183 AS A PROJECT CONSISTENT WITH THE GENERAL PLAN FOR WHICH AN EIR WAS CERTIFIED.)

WHEREAS, accessory dwelling units contribute needed housing to the community's housing stock and provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others within existing neighborhoods, and homeowners who create accessory dwelling units may benefit from added income and an increased sense of security; and

WHEREAS, at its December 13, 2022 meeting, the City Council approved Urgency Ordinance 2022-22, amending accessory dwelling unit regulations in the Santa Cruz Municipal Code to comply with implementation deadlines set by state laws AB 2221 and SB 897; and

WHEREAS, at its January 24, 2023 meeting, the City Council extended the urgency ordinance through the end of 2024 with Ordinance 2023-01; and

WHEREAS, amendments made by the urgency ordinance are now codified through a formal ordinance required to be approved prior to the end of 2024, thus rescinding the urgency ordinance; and

WHEREAS, in 2023, AB 976 (Ting) was signed into law, removing owner-occupancy requirements for properties with accessory dwelling units for any accessory dwelling unit created in 2025 and in perpetuity thereafter; and

WHEREAS, on February 6, 2024, the California Department of Housing and Community Development (HCD) sent a letter to the Department of Planning and Community Development detailing a review of the City's accessory dwelling unit regulations and requiring several corrections to ensure ongoing compliance with state law.

WHEREAS, additional clarifications are needed to the accessory dwelling unit regulations in the Santa Cruz Municipal Code; and

WHEREAS, on August 15, 2024, the Department of Planning and Community Development held a community meeting to present proposed modifications to local accessory dwelling unit regulations and solicited feedback from the public; and

WHEREAS, at its September 5, 2024 meeting, the Santa Cruz Planning Commission reviewed the proposed additions and modifications to the Santa Cruz Municipal Code and found that the public necessity, and the general community welfare, and good zoning practice shall be served and furthered; and that the proposed amendments are in general conformance with the principles, policies and land use designations set forth in the General Plan, Local Coastal Plan and any adopted area or specific plan; and

WHEREAS, at its September 5, 2024 meeting, the Santa Cruz Planning Commission passed a motion that recommended the City Council approve the proposed additions and amendments as well as any additional changes needed to comply with state ADU law; and

WHEREAS, the proposed amendments and additions to the Santa Cruz Municipal Code fall within the analyzed development potential in the City of Santa Cruz's existing 2030 General Plan Environmental Impact Report using the existing zoning and General Plan and, therefore, pursuant to California Code of Regulations, Title 14, section 15183 of the California Environmental Quality Act (CEQA) Guidelines, no further environmental review under the CEQA is required.

BE IT ORDAINED By the City of Santa Cruz as follows:

**Section 1.** Section 21.06.030 of Chapter 21.06 of the Santa Cruz Municipal Code regarding Scope of Residential Rental Dwelling Unit Inspection and Maintenance Program is hereby amended to read as follows:

**21.06.030 SCOPE.**

- A. The provisions of this chapter shall apply to all owners of one or more residential rental dwelling units located within the city of Santa Cruz.
- B. The provisions of this chapter shall not apply to legal accessory dwelling units that are not rented, rooms rented to single individuals in an owner-occupied single-family residence, hotel or motel units subject to the transient occupancy tax ordinance codified at Chapter 3.28, units inspected by another governmental authority for housing and safety standards, newly constructed multiple dwelling units (including townhouse dwelling groups and condominium projects that are rented) for a period of five years from the issuance of certificate of occupancy, and mobile home parks.

**Section 2.** Section 24.08.800 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Purpose for Slope Development Permit (Applies Outside the Coastal Zone) is hereby amended to read as follows:

**24.08.800 PURPOSE.**

Development on slopes presents opportunities and challenges. Construction on unstable slopes can lead to erosion, steep terrain can present wildfire and evacuation hazards, and buildings

constructed on hilltops often have exceptional views while having the potential to adversely impact public views. Such development is therefore regulated by the provisions of Section 24.14.030, Slope regulations (outside the Coastal Zone), to ensure that risks to public and private property and adverse impacts to public views are minimized. “Public views” include scenic views of the ocean, beaches, and the Santa Cruz Mountains from public property, including from parks and public rights-of-way.

**Section 3.** Section 24.08.810 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Procedure for Slope Development Permit (Applies Outside the Coastal Zone) is hereby amended to read as follows:

**24.08.810 PROCEDURE.**

Projects on or within twenty feet of a slope of thirty percent or greater must apply for a slope development permit unless the project is exempted from the need for such a permit under Section 24.14.030(1)(g) or when approval of a statewide exemption accessory dwelling unit waives this standard pursuant to Section 24.16.141.11. This permit may be granted by the zoning administrator under Section 24.14.030(1)(c) without a hearing if the project is on or within twenty feet of a slope greater than or equal to thirty percent and less than fifty percent and is consistent with the findings in Section 24.08.820, unless the slope development permit is accompanied by an application that must be heard by a higher body. Projects on or within twenty feet of a slope of fifty percent or greater must be considered at a public hearing by the zoning administrator and must also be consistent with the findings in Section 24.08.820 unless the project is exempted from such a permit per Section 24.14.030(1)(g).

**Section 4.** Section 24.08.820 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Findings Required for Slope Development Permit (Applies Outside the Coastal Zone) is hereby amended to read as follows:

**24.08.820 FINDINGS REQUIRED.**

A slope development permit may be granted when all of the following applicable conditions are found:

1. Measures have been included within the design of the project to mitigate impacts on environmental constraint areas identified in the Natural Resources and Conservation Element and the Safety Element of the General Plan and the Local Coastal Program.
2. Landscaping of an appropriate type, size, and quality is proposed to mitigate any adverse environmental effect.
3. Usable open space is proposed in an amount equal to that normally required.
4. A registered civil engineer or other qualified professional will design streets, buildings, and other man-made structures to conform with existing landforms and topography.

5. Adequate fire safety measures as required by the city fire department have been incorporated into the design of the proposed development, when located in a designated fire hazard area.
6. The proposed project employs architectural and design elements which in total serve to reduce the mass and bulk of structures to protect public views. Such elements may include:
  - a. Multiple floor levels which follow natural slopes;
  - b. Multiple roof lines to provide visual interest and break up the visual impact of the building;
  - c. Decks and balconies to provide building articulation;
  - d. Foundation types such as poles, piles, or stepped levels which minimize cut and fill and need for retaining walls;
  - e. Fence lines, walls, and other features which blend with the terrain rather than strike off at an angle against it.
7. If a project proposed for construction is in a landslide area identified in a site-specific geological report prepared pursuant to Section 24.14.030(1)(d), findings must be made that mitigation measures necessary to fulfill the purpose of this part have been incorporated into project design, based on the project's environmental review and geotechnical reports.

**Section 5.** Section 21.08.1320 of Chapter 24.08 of the Santa Cruz Municipal Code regarding General Provisions of Residential, Demolition/Conversion Authorization Permits is hereby amended to read as follows:

**24.08.1320 GENERAL PROVISIONS.**

California State law includes strict standards for the demolition of housing in an effort to ensure that existing density is not reduced and that housing that is currently rented to lower income tenants is maintained as affordable housing within new development. Housing demolition and housing development projects must comply with the requirements of this section as well as those contained in California state law governing relocation assistance and replacement housing units, including but not limited to Government Code Sections 65589.5 and 66300, as amended. For each provision of the regulations, when both this code and the California Government Code apply, whichever requires the higher number of replacement units, bedrooms, and/or relocation assistance shall take precedence. A residential demolition/conversion authorization permit shall be required prior to issuance of a demolition permit for any residential dwelling unit, including any accessory dwelling unit or junior accessory dwelling unit, or single-room occupancy living unit. A residential unit that is replaced by a conversion accessory dwelling unit shall not be required to obtain a residential demolition authorization permit.

**Section 6.** Section 21.08.1330 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Demolition of Conversion of Single-Family Residence or Duplex Units is hereby amended to read as follows:

**24.08.1330 DEMOLITION OR CONVERSION OF SINGLE-FAMILY RESIDENCE OR DUPLEX UNITS.**

The zoning administrator may issue a demolition/conversion authorization permit for the demolition or conversion of a single-family residence, accessory dwelling unit, junior accessory dwelling unit, or duplex upon finding that:

1. The building is not subject to the provisions of Part 11 (regarding Historic Demolition Permits) of this chapter, or that the demolition or conversion has been approved pursuant to the procedures set forth in Part 11; and
2. The project which will replace the demolished or converted unit(s) has been approved by the city, and an appropriate building permit has been issued; unless no building permit is required or some other practical hardship can be documented rendering this finding inappropriate; and
3. The building is not in the coastal zone, or, if it is in the coastal zone, is being replaced by a residential use or a nonresidential coastal-dependent use as defined by Section 30101 of the Public Resources Code; and
4. Relocation assistance has been provided to eligible tenants consistent with Section 24.08.1350; or
5. The building which is in the coastal zone and is being replaced by a nonresidential use which is not coastal-dependent as defined in Section 30101 of the Public Resources Code, is located where residential use is no longer feasible, but will not be issued a demolition permit or building permit in connection with the conversion until the applicant has entered into an agreement to provide relocation assistance and replacement housing or in-lieu fees consistent with Section 24.08.1350 and the applicable portions of Sections 24.08.1360 and 24.08.1370.

**Section 7.** Section 24.16.020 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Basic On-Site Inclusionary Housing Requirements is hereby amended to read as follows:

**24.16.020 BASIC ON-SITE INCLUSIONARY HOUSING REQUIREMENTS.**

1. Applicability.
  - a. The inclusionary housing requirements defined in this chapter are applicable to all residential developments that create two or more new and/or additional dwelling units or FDU or SRO units at one location by construction or alteration of structures, or

would create two or more lots through approval of a parcel map or tentative map, except for exempt residential developments under subsection (2).

- b. Additional rent above and beyond affordable rent or affordable ownership cost may be permitted for the commercial/work space in a live/work unit at a rent that is determined to be affordable to qualifying households and is proportionate to the amount of commercial space provided. The amount of rent for the commercial portion of the live/work unit shall be agreed upon by the developer, the economic development director, and the planning and community development director. If no agreement can be reached, the city will retain an outside financial consultant to evaluate and determine the allowable affordable rent and establish a methodology for determining future commercial rent levels. The methodology for determining future commercial rent levels shall be defined in every affordable housing development agreement for residential developments that include at least one live/work unit.
2. The following residential developments are exempt from the requirements of this chapter:
  - a. Residential developments developed pursuant to the terms of a development agreement executed prior to the effective date of the ordinance codified in this chapter; provided, that such residential developments comply with any affordable housing requirements included in the development agreement or any predecessor inclusionary housing requirements in effect on the date the development agreement was executed.
  - b. Residential developments for which a complete application was filed with the city prior to the effective date of the ordinance codified in this chapter; provided, that such residential developments comply with any predecessor inclusionary housing requirements in effect on the date the application for the residential development was deemed complete.
  - c. Residential developments if exempted by California Government Code Section 66474.2 or 66498.1; provided, that such residential developments comply with any predecessor inclusionary housing requirements in effect on the date the application for the residential development was deemed complete.
  - d. Residential developments replacing dwelling units that have been destroyed by fire, flood, earthquake, or other acts of nature, so long as no additional dwelling units are created by the residential development; and provided, that such residential developments comply with any inclusionary housing requirements previously applied to the dwelling units being replaced.
  - e. Rental residential developments with two to four dwelling units.
3. Ownership Residential Developments with Two to Four Dwelling Units. For ownership residential developments that would create at least two but not more than four new or additional dwelling units and/or live/work units at one location, the applicant shall either:
  - (a) make one inclusionary unit available for sale at an affordable ownership cost; (b) make

one inclusionary unit available at an affordable rent for low income households; or (c) pay an in-lieu fee calculated pursuant to Section 24.16.030(6).

4. Ownership Residential Developments with Five or More Dwelling Units. For ownership residential developments that would create five or more new or additional dwelling units and/or live/work units at one location, the applicant shall provide inclusionary units as follows:
  - a. Affordable Housing Requirement for Ownership Residential Developments. In an ownership residential or live/work development, twenty percent of the dwelling units shall be made available for sale to low and moderate income households at an affordable ownership cost.
  - b. Fractional Affordable Housing Requirement for Ownership Residential Developments – 0.7 Units or Less. If the number of dwelling units required under subsection (4)(a) results in a fractional requirement of 0.7 or less, then the applicant shall either: (i) make one inclusionary unit available for sale at an affordable ownership cost; (ii) make one inclusionary unit available at an affordable rent for low income households; or (iii) pay an in-lieu fee calculated pursuant to Section 24.16.030(6). This subsection (4)(b) applies to the fractional unit only, and whole units shall be provided as required by subsection (4)(a).
  - c. Fractional Affordable Housing Requirement for Ownership Residential Developments – More Than 0.7 Units. If the number of dwelling units required under subsection (4)(a) results in a fractional requirement of greater than 0.7, then the applicant shall either: (i) make one inclusionary unit available for sale at an affordable ownership cost; or (ii) make one inclusionary unit available at an affordable rent for low income households. This subsection (4)(c) applies to the fractional unit only, and whole units shall be provided as required by subsection (4)(a).
  - d. Rental Units in an Ownership Residential Development.
    - i. In an ownership residential development where all dwelling units are initially offered for rent, an applicant may satisfy the inclusionary requirements by providing rental units as provided in subsection (5).
    - ii. The rent regulatory agreement required by Section 24.16.045 shall include provisions for sale of the inclusionary units at an affordable ownership cost to eligible households within ninety days from the issuance of the public report by the California Department of Real Estate permitting sale of the units or at termination of the tenant's lease whichever is later and otherwise in compliance with state law; provided, however, that the sale of the entire ownership residential development from one entity to another shall not trigger the obligation to sell individual inclusionary units. To the extent relocation payments are required by law the applicant shall be wholly responsible for the cost of preparing a relocation plan and making required payments. Any tenant of an inclusionary unit at the time units are

offered for sale that qualifies to purchase an inclusionary unit at an affordable ownership cost shall be offered a right of first refusal to purchase the inclusionary unit. At sale appropriate documents shall be recorded to ensure the continued affordability of the inclusionary units at an affordable ownership cost as required by Section 24.16.045.

5. Rental Residential Developments with Five or More Dwelling Units. For rental residential developments that would create five or more new or additional dwelling units and/or live/work units at one location, the applicant shall provide inclusionary units as follows:
  - a. Rental residential developments that would create five or more new or additional dwelling units or live/work units at one location shall provide twenty percent of the dwelling units as inclusionary units, which shall be made available for rent to low income households at an affordable rent.
  - b. SRO Developments. In a rental residential development comprised of SRO units, twenty percent of the single-room occupancy units shall be made available for rent to very low income households at an affordable rent.
  - c. Fractional Affordable Housing Requirement for Rental Residential Developments with More Than Five Dwelling Units. If the number of dwelling units required results in a fractional requirement of 0.7 or less, then there will be no inclusionary requirement for the fractional unit. If the number of dwelling units required results in a fractional requirement of greater than 0.7, then the applicant shall make one inclusionary unit available at an affordable rent. This subsection (5)(c) applies to the fractional unit only, and whole units shall be provided as required by subsections (5)(a) and (b).
6. The requirements of subsections (3) through (5) are minimum requirements and shall not preclude a residential development from providing additional affordable units or affordable units with lower rents or sales prices than required.
  - a. By mutual agreement by the developer, the planning and community development director, and the economic development director, the percentage of inclusionary units may be increased in exchange for reduced parking and/or other development requirements.
  - b. If the developer agrees to make at least forty percent of the residential project available for rent to low income households at a rental cost affordable to low income households, in addition to reduction of development requirements, by mutual agreement by the developer, the planning and community development director, and the economic development director, the city may also provide financial incentives to increase the number of inclusionary units in a project.
7. For the purposes of calculating the number and type of inclusionary units required by this section, rental accessory dwelling units constructed either as part of the initial development or anytime thereafter, shall be subject to the requirements of subsection (5). The

inclusionary requirement for accessory dwelling units constitutes a separate inclusionary requirement than that of the primary residential use, such that only accessory dwelling units shall count toward the inclusionary requirement calculation for the accessory dwelling units on the lot, and only the residential units comprising the primary residential use shall count toward the inclusionary requirement calculation for the primary residential use on the lot. The accessory dwelling unit inclusionary requirement shall be met with accessory dwelling units or as otherwise permitted under Section 24.16.030, including, but not limited to payment of the in-lieu fee.

8. For purposes of calculating the number of inclusionary units required by this section, any dwelling units authorized as a density bonus pursuant to Part 3 of this chapter shall not be counted as part of the residential development. However, if a developer receives a city rental housing bonus as authorized by Section 24.16.035(4), then all of the dwelling units in the project, including the dwelling units authorized as a density bonus, shall be counted as part of the residential development for purposes of calculating the inclusionary units required by this section.

**Section 8.** Section 24.16.100 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Purpose of Accessory Dwelling Units is hereby amended to read as follows:

**24.16.100 PURPOSE.**

The ordinance codified in this part provides for accessory dwelling units in certain areas and on lots developed or proposed to be developed with single- or multifamily dwellings. Such accessory dwellings are allowed because they can contribute needed housing to the community's housing stock. Accessory dwelling units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others within existing neighborhoods, and homeowners who create accessory dwelling units may benefit from added income and an increased sense of security.

In addition, the ordinance codified in this part provides a mechanism to grant legal status to existing illegally constructed accessory dwelling units in single-family neighborhoods. By encouraging legalization, safe dwellings may be added to the city's existing housing supply.

Accessory dwelling units and junior accessory dwelling units are considered dwelling units for the purposes of meeting the City's Regional Housing Needs Assessment allocation and for the purposes of replacement housing and relocation assistance requirements.

Thus, it is found that accessory dwelling units are a residential use that is consistent with the General Plan objectives and zoning regulations and that enhances housing opportunities throughout the city of Santa Cruz. To ensure that accessory dwelling units will conform to General Plan policy, the following regulations are established.

**Section 9.** Section 24.16.125 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Definitions of Accessory Dwelling Units is hereby amended to read as follows:

## 24.16.125 DEFINITIONS

The following definitions shall apply to accessory dwelling units throughout the municipal code:

1. “Attached accessory dwelling unit” shall mean an accessory dwelling unit that is attached to the primary dwelling, including to an attached garage.
2. “Conversion accessory dwelling unit” shall mean any accessory dwelling unit created by the conversion of any one permitted, entitled, or legal nonconforming building, or portion of such a building. The conversion accessory dwelling unit may either be converted utilizing the existing structural components of the building or reconstructed within the existing three-dimensional physical space occupied by the building. On property developed with multi-unit buildings, only areas that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, shall be eligible to become conversion accessory dwelling units. The limitation on converting non-livable space shall not apply to a nonconforming duplex on a single-family zoned lot where one unit is converted to an accessory dwelling unit to result in a single-family home and accessory dwelling unit on the site. Consistent with zoning standards, conversion accessory dwelling units shall be permitted to expand the existing footprint of the building by up to one hundred fifty square feet, and the existing height by up to two feet.
3. “Detached accessory dwelling unit” shall mean an accessory dwelling unit that is separated from any single- or multi-unit building.
4. “Multi-unit building” shall mean a building with two or more attached dwellings on a single lot, including apartment or condominium buildings that contain at least two units. Accessory dwelling units do not count toward the number of units in this calculation.
5. “New construction accessory dwelling unit” shall mean any accessory dwelling unit that includes new construction and that does not meet the definition and requirements for a conversion accessory dwelling unit.
6. “Non-exempt accessory dwelling unit” shall mean an accessory dwelling unit that does not meet the definition of a statewide exemption accessory dwelling unit.
7. “Primary dwelling” shall mean the dwelling unit with which the accessory dwelling unit or junior accessory dwelling unit is associated.
8. “Single-unit building” shall mean a structurally independent building that contains one dwelling unit. A single-unit building may be the only building on the lot, such as a single-family home or a townhome, or it may be a detached residential condominium or apartment unit on a lot with one or more other dwellings that are not attached to the single-unit building. Accessory dwelling units do not count toward the number of units in this calculation.
9. “Statewide exemption accessory dwelling unit” shall mean any of the following:

- a. One accessory dwelling unit and one junior accessory dwelling unit per lot with a proposed or existing single-unit building, including a single-family dwelling, townhome, or a detached residential condominium or apartment unit on a lot with multiple dwellings, if all of the following apply:
  - i. The accessory dwelling unit or junior accessory dwelling unit is within the proposed space of a single-unit building or it is within the existing space of a single-unit building or detached accessory building. This type of statewide exemption accessory dwelling unit does not include a building reconstructed within the three-dimensional space of an existing building to be demolished.
  - ii. If the accessory dwelling unit is within the space of an existing detached accessory building, the accessory dwelling unit may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory building. An expansion beyond the physical dimensions of the existing building shall be limited to accommodating ingress and egress.
  - iii. The accessory dwelling unit has an exterior entrance separate from that of the primary dwelling unit.
  - iv. The side and rear setbacks are sufficient for fire and safety.
  - v. The junior accessory dwelling unit complies with the requirements of Section 24.16.170 below.
- b. One detached, new construction accessory dwelling unit that meets the following standards:
  - i. The accessory dwelling unit shall be located on a lot with a proposed or existing single-unit building, including a single-family dwelling, townhome, or a detached residential condominium or apartment unit on a site with multiple dwellings.
  - ii. The accessory dwelling unit size shall not exceed 800 square feet in floor area.
  - iii. Interior side yard and rear yard setbacks shall be at least four feet.
  - iv. The accessory dwelling unit shall meet one of the following height limitations as measured to the roof peak:
    - 1. A height of 16 feet; or
    - 2. A height of 18 feet if the accessory dwelling unit is on a lot within one-half of one mile walking distance of a major transit stop or a high-quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code. This height can be increased an additional two feet to twenty feet to

accommodate a roof pitch on the accessory dwelling unit that is aligned with the roof pitch of the primary dwelling unit.

- v. The accessory dwelling unit may be combined with a junior accessory dwelling unit that meets the standards as described in Section 24.16.170.
- c. Multiple accessory dwelling units within the portions of existing multi-unit buildings, including a residential condominium or apartment building with two or more attached units, that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings. The number of accessory dwelling units permitted is equivalent to up to twenty-five percent of the number of existing, legally permitted units in the multi-unit building, or one, whichever is greater. When the twenty-five percent limit results in a fraction of a unit, the total number of accessory dwelling units that may be added shall be determined by rounding the fraction up to the next whole number.
- d. Not more than two detached accessory dwelling units that are located on a lot that has an existing or proposed multi-unit building, including a residential condominium or apartment building with two or more attached units. Each accessory dwelling unit shall meet the following standards:
  - i. Rear and interior side yard setbacks shall be at least four feet. If the existing multi-unit building has a rear or interior side yard setback of less than four feet, the existing multi-unit building will not be required to be modified to meet this setback.
  - ii. The accessory dwelling units shall meet one of the following height limitations as measured to the roof peak:
    - 1. A height of 16 feet; or
    - 2. A height of 18 feet if the accessory dwelling unit is on a lot within one-half of one mile walking distance of a major transit stop or a high-quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code. This height can be increased an additional two feet to 20 feet to accommodate a roof pitch on the accessory dwelling unit that is aligned with the roof pitch of the primary dwelling unit; or
    - 3. A height of 18 feet for a detached accessory dwelling unit on a lot with an existing or proposed multi-unit, multistory building.

**Section 10.** Section 21.16.130 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Permit Procedures is hereby amended to read as follows:

**24.16.130 PERMIT PROCEDURES.**

1. Accessory dwelling units shall be principally permitted uses within the zoning districts specified in Section 24.16.120 and subject to the development standards in Section 24.16.140 et seq.
2. City shall issue a ministerial building permit for an accessory dwelling unit or junior accessory dwelling unit without discretionary review or a hearing, consistent with the provisions of this chapter and state law, within sixty days of submittal of a complete building permit application, unless provided otherwise. The sixty-day review period shall not apply when:
  - a. The permit application to create an accessory dwelling unit or junior accessory dwelling unit requires simultaneous approval of a discretionary or building permit associated with creating a new single-unit or multi-unit building on the same lot or parcel. The City may delay approving or denying the building permit application for the accessory dwelling unit or the junior accessory dwelling unit until the City approves or denies the permit application to create the new single-unit or multi-unit building; or
  - b. When the applicant seeks a delay for any reason, including but not limited to pursuit of a discretionary permit pursuant to Section 24.16.130.8. The period of the delay shall not count toward the sixty-day time period.
3. If the City denies an application to create an ADU or JADU, the City must provide the applicant with comments that include, among other things, a list of all defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant in accordance with the 60-day time period set forth in Section 24.16.130 (4) above.
4. Construction of an accessory dwelling unit shall not constitute a Group R occupancy change under the local building code, except as specified under state law. Construction of an accessory dwelling unit shall not trigger a requirement for fire sprinklers to be installed in the existing single-unit or multi-unit building.
5. The City shall not require, as a condition for ministerial approval of a permit application for the creation of an accessory dwelling unit or a junior accessory dwelling unit, the correction of nonconforming zoning conditions, building code violations, or unpermitted structures unless they present a threat to public health and safety and are affected by the construction of the accessory dwelling unit.
6. The City shall not require, and the applicant shall not be otherwise required, to provide written notice or post a placard for the demolition of a detached garage that is to be replaced

with an accessory dwelling unit, unless the property is located within an architecturally and historically significant historic district.

7. An accessory dwelling unit replacing a detached garage shall receive review and issuance of a demolition permit concurrently with the review and issuance of the permit for the accessory dwelling unit.
8. To promote flexibility in siting of accessory dwelling units, nothing in this Part shall prohibit an applicant from pursuing a discretionary permit to construct an accessory dwelling unit on a lot that has a buildable area of at least eight hundred square feet with at least four foot side and rear yard setbacks for an attached or detached accessory dwelling unit with application of all site development standards or waivers as provided in Section 24.16.141 but where the applicant chooses to place the accessory dwelling unit in a location that does not meet such standards or waivers.

**Section 11.** Section 21.16.140 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Development Standards is hereby renamed General Development Standards and amended to read as follows:

**24.16.140 GENERAL DEVELOPMENT STANDARDS.**

All accessory dwelling units, both new construction and conversion, shall conform to the following requirements:

1. Number of Accessory Dwelling Units per Parcel.
  - a. For parcels including a proposed or existing single-unit building, including a single-family home, townhome, or multiple detached dwellings, but not including any multifamily structures: One non-exempt accessory dwelling unit shall be allowed on each lot in addition to any statewide exemption accessory dwelling units. Each lot may also include a junior accessory dwelling unit conforming to the standards set forth in Section 24.16.170.
  - b. For lots developed with an existing or proposed multi-unit building, including an apartment or condominium building with two or more dwelling units: no non-exempt accessory dwelling units shall be allowed in addition to any statewide exemption dwelling units. The number of statewide exemption dwelling units allowed on each lot equals two new construction and at least one conversion accessory dwelling unit. Up to twenty-five percent of the number of existing dwellings in the multi-unit building may be added as conversion accessory dwelling units. When the twenty-five percent limit results in a fraction of a unit, the total number of accessory dwelling units that may be added shall be determined by rounding the fraction up to the next whole number.
2. Existing Development on Lot. One of the following conditions must be present in order to approve an application to create an accessory dwelling unit:

- a. One or more single-unit buildings, as defined in Section 24.16.125.8, exists on the lot or will be constructed concurrently and in conjunction with the accessory dwelling unit;
  - b. The lot contains an existing multi-unit building, as defined in Section 24.16.125.4, or a multi-unit building that will be constructed concurrently and in conjunction with the accessory dwelling unit.
3. **Building Code Requirements.** The accessory dwelling unit shall meet the requirements of the California Building Standards Code, including the alternative means and methods section as prescribed therein.
  4. **Large Home Design Permit.** The square footage of an accessory dwelling unit shall not be counted with the square footage of the single-family home in determining whether a large home design permit is required. The square footage of a junior accessory dwelling unit shall be counted with the square footage of the single-family home in determining whether a large home design permit is required.
  5. **Accessory dwelling units that require approval of a coastal permit shall conform to the standards in Section 24.12.140.2.**
  6. **Accessory dwelling units shall meet the inclusionary requirements described under Section 24.16.020.8.**

**Section 12.** Section 24.16.141 of Chapter 24.16 of the Santa Cruz Municipal Code regarding New Construction Accessory Dwelling Unit Development Standards is hereby renamed Site Development Standards and amended to read as follows:

**24.16.141 SITE DEVELOPMENT STANDARDS.**

Despite any directly conflicting zone district site development standards, all accessory dwelling units shall comply with the following site development standards. All other zone district site development standards not listed here shall apply to accessory dwelling units.

1. General.

<b>Development Standard</b>	<b>Attached</b>	<b>Conversion<sup>1,2</sup></b>	<b>Detached</b>
Maximum Floor Area (square feet) <sup>3,4</sup>	Greatest of: <ul style="list-style-type: none"> <li>• 850 for a studio or one bedroom</li> <li>• 1,000 for a unit with two or more bedrooms.</li> <li>• 50% of the habitable area of the primary</li> </ul>	Footprint of existing building. Can expand footprint by 150. <sup>5,6</sup>	Greatest of: <ul style="list-style-type: none"> <li>• 850 for a studio or one bedroom</li> <li>• 1,000 for a unit with two or more bedrooms</li> <li>• 10% net lot area and no more than</li> </ul>

<b>Development Standard</b>	<b>Attached</b>	<b>Conversion<sup>1,2</sup></b>	<b>Detached</b>
	dwelling to which the unit is attached		1,200 habitable square feet.
Maximum Height (feet) <sup>7</sup>	Zone district standard that applies to primary dwelling.	Maintain existing, or expand up to lesser of 2' or standard for new construction ADU. <sup>8</sup>	<ul style="list-style-type: none"> <li>• 16' to roof peak if less than 4' from side/rear property line</li> <li>• 22' to roof peak if 4' or more from side/rear property line</li> </ul>
Minimum Front Setback (feet)	Zone district standard that applies to primary dwelling.	Maintain existing. Any expansion shall meet new construction standard.	Lesser of: <ul style="list-style-type: none"> <li>• Front wall line of primary building, excluding any projections from that line.</li> <li>• Zone district standard.</li> </ul>
Minimum Rear Setback (feet)	4'	Maintain existing. Any expansion shall meet new construction standard.	3' for up to 16' height. 4' above 16' height.
Minimum Exterior Side Yard Setback	Zone district standard that applies to primary dwelling.	Maintain existing. Any expansion shall meet new construction standard.	Zone district standard.
Minimum Interior Side Yard Setback	4' <sup>9</sup>	Maintain existing. Any expansion shall meet new construction standard.	3' for up to 16' height 4' above 16' height
Minimum Distance Between Buildings	6'	Maintain existing. 6' for any expansion	6'
<ol style="list-style-type: none"> <li>1. Conversion accessory dwelling units may occupy the three-dimensional space, including setbacks, lot coverage, and height, of the building to be converted or reconstructed, regardless of conformance to current zoning standards.</li> <li>2. A conversion accessory dwelling unit with any expansion in excess of the above thresholds shall be reviewed as a new construction accessory dwelling unit, including assessment of any required fees.</li> <li>3. Accessory dwelling units that utilize alternative green construction methods that cause the exterior wall thickness to be greater than normal shall be accommodated by calculating the unit square footage size in a manner that accounts for the difference between the square footage of the proposed building and the square footage of a traditional frame house.</li> <li>4. Stairways that provide access to accessory dwelling units do not count toward the floor area of an accessory dwelling unit when the stairs are not part of the conditioned space, the stairs do not include any other rooms or</li> </ol>			

Development Standard	Attached	Conversion <sup>1,2</sup>	Detached
<p>room-like areas that would function as habitable floor area for the ADU, and there is a fire-rated entry door at the top of the stairs at the entrance to the accessory dwelling unit.</p> <p>5. An expansion of up to 150 square feet shall not enlarge the accessory dwelling unit beyond one thousand two hundred square feet unless necessary to accommodate ingress and egress to the accessory dwelling unit.</p> <p>6. Expansions detached from the primary dwelling shall meet height and setback requirements for a new construction detached accessory dwelling unit. Expansions attached to the primary dwelling shall meet height and setback requirements for new construction attached dwelling units. Expansions of either type on a substandard lot shall be consistent with substandard lot development standards described in Section 24.16.161.7.</p> <p>7. If the design of the building in which the primary dwelling is located has special roof features that should be matched on the detached accessory dwelling unit to enhance design compatibility, the maximum allowed building height of the accessory dwelling unit may be exceeded in order to include such similar special roof features, subject to review and approval of the zoning administrator as part of the review of the building permit application.</p> <p>8. Existing and resulting roof height are measured to the roof peak. Other portions of the roof may expand more than two feet if their resulting height is the same or lower than the resulting roof peak.</p> <p>9. Any zone development standard for an additional setback based on building height or stories shall not apply to the portion of the building that contains the accessory dwelling unit.</p>			

2. **Parking.** No off-street parking shall be required for any accessory dwelling unit outside of the Coastal Zone. Any parking spaces, covered or uncovered, removed in order to create an accessory dwelling unit shall not be required to be replaced outside the Coastal Zone. For properties within the Coastal Zone, parking requirements are contained in Section 24.12.240.1.
3. **Rear Yard Lot Coverage.** In no case shall any accessory dwelling unit be limited in size based on rear yard lot coverage requirements contained in Section 24.12.140.1(f) In the application of Section 24.12.140.1(f), the footprint of accessory dwelling units shall not count toward the maximum allowable lot coverage by accessory buildings in yard setback areas.
4. **Projections.** An accessory dwelling unit that meets the standard zone district setbacks shall be permitted to include projections as described in Section 24.12.120.1. An accessory dwelling unit, or portion thereof, that does not meet standard zone district setbacks but meets standard setbacks for new construction accessory dwelling units shall be permitted to include architectural features such as cornices, canopies, eaves, and sills that project into the setback two and one-half feet. A conversion accessory dwelling unit, or portion thereof, that does not meet standard setbacks for new construction accessory dwelling units shall not contain any new projections beyond any already present on the existing wall.
5. If a new construction detached accessory dwelling unit is attached to a non-habitable accessory use within the same building, then the portion of the building containing the non-habitable use shall meet the site development standards for non-habitable accessory buildings as described in Section 24.12.140. A garage may have interior access to an accessory dwelling unit, but no other non-habitable accessory use within the same building shall have interior access to the accessory dwelling unit.

6. Clear corner triangle and clear vision area. Any new construction accessory dwelling unit or expansion of a conversion accessory dwelling unit shall be located outside of the clear corner triangle, as defined in Section 24.22.202, and the clear vision area, as defined in Section 24.22.206.
7. Substandard Lots. When a new construction accessory dwelling unit is proposed on a substandard residential lot, as defined in Section 24.22.520, that contains a single-family residential use, the following design standards shall apply:
  - a. The maximum allowable lot coverage for all structures shall be forty-five percent, except that lot coverage shall be waived to the extent that it physically precludes the construction of the accessory dwelling unit up to eight hundred square feet in floor area. The lot coverage of the accessory dwelling unit shall not be included in the calculation of all other structures' maximum allowable lot coverage. Lot coverage shall include the footprints of the first floor, garage and other accessory buildings (attached and detached), decks and porches (greater than thirty inches in height and not cantilevered), and any second-story cantilevered projection (enclosed or open) beyond two and one-half feet. Decks under thirty inches in height or fully cantilevered with no vertical support posts do not count toward lot coverage for this purpose. Second-story enclosed cantilevered areas that project less than thirty inches from the building wall do not count toward lot coverage. For such areas that project more than thirty inches from the building wall, only the floor area that projects more than thirty inches shall be counted toward lot coverage.
  - b. The floor area of a building's second story shall be limited to one hundred percent of the floor area of the building's first floor if the floor area of the building's first story constitutes thirty percent or less of the net lot area.
  - c. The floor area of a building's second story shall not exceed fifty percent of the floor area of the building's first story if the building's first story has greater than thirty percent lot coverage up to a maximum of forty-five percent lot coverage.
  - d. The floor area of a building's second story shall be limited to fifty percent of forty-five percent lot coverage if the building's first story has greater than forty-five percent lot coverage.
8. Archaeological Resources. The application shall be consistent with all objective standards relating to the preservation of archaeological resources pursuant to Section 24.12.430.
9. Distance from Natural Features. Any new construction accessory dwelling unit or expansion of a conversion accessory dwelling unit shall be consistent with the following standards for distance from natural features.
  - a. The accessory dwelling unit shall not be constructed within any watercourse setback designated within the City-Wide Creeks and Wetlands Management Plan that does not

allow for construction of an accessory dwelling unit by right, as implemented by Section 24.08.2100 et seq.

- b. If the site or an adjacent lot contains a wetland or potential wetland as shown in the Citywide Creeks and Wetlands Management Plan, the accessory dwelling unit shall be located at a distance from the wetland as recommend in a report prepared by a professional biologist with a background in wetland biology.
  - c. The accessory dwelling unit shall not be constructed within 20 feet of a 30 percent or greater slope.
  - d. The accessory dwelling unit and any related construction and site work shall be located away from a heritage tree, or any street tree growing in the public right of way protected under municipal code chapter 13.30, the greatest distance of: 10 feet, or three times the diameter of the tree's largest trunk at 54 inches above grade, or the dripline of the tree.
  - e. When the project site includes an area mapped for sensitive habitat or vegetation under the general plan, the accessory dwelling unit and related site work shall be located at a distance from such habitat or vegetation area as determined in a report prepared pursuant to Section 24.14.080 by a professional biologist with a background in sensitive habitat biology.
10. If the application of all site development standards results in a buildable area that physically precludes the creation of any attached or detached accessory dwelling unit of up to 800 square feet with at least four foot interior side and rear yard setbacks, including both statewide exemption accessory dwelling units and non-exempt accessory dwelling units, then the applicant only may waive any one or more of the following site development standards to the extent that it increases the buildable area to allow such an accessory dwelling unit:
- a. Percentage of primary dwelling, and/or
  - b. Lot coverage, and/or
  - c. Floor area ratio, and/or
  - d. Open space, and/or
  - e. Front setbacks.
11. If waiver of all the standards listed in Section 24.16.141.10 results in a buildable area that physically precludes the creation of a statewide exemption accessory dwelling unit, then the following site development standards shall be waived only to the extent that the waiver increases the buildable area to allow construction of a statewide exemption accessory dwelling unit. Such waivers are limited to the following:

- a. First, the applicant may waive any one or more of the following standards:
  - i. Exterior side yard setback, and/or
  - ii. Distance between buildings, and/or
  - iii. Second floor area of a structure on a substandard lot, and/or
  - iv. Distance from 30 percent or greater slopes.
- b. If waiver of all standards in Section 24.16.141.11(a) results in a buildable area that physically precludes the creation of a statewide exemption accessory dwelling unit, then the applicant may waive any one or more of the following standards:
  - i. The management and development setbacks of a watercourse, but not the riparian setback, when recommendations in a report prepared by a professional biologist with a background in riparian biology are followed and included on the building permit plans. The report recommendations shall not include a requirement to move the building; and/or
  - ii. The required distance from a heritage tree, or any street tree growing in the public right of way protected under Municipal Code Chapter 13.30, if a report prepared by a professional consulting arborist determines that the reduced distance does not require removal of the tree or any other action that would require approval of a heritage tree permit pursuant to Municipal Code Chapter 9.56 or street tree permit pursuant to Municipal Code Chapter 13.30 and when the building permit plans incorporate all recommendations from the report.
- c. If waiver of all the standards in Section 24.16.141.11(b) results in a buildable area that physically precludes the creation of a statewide exemption accessory dwelling unit, then the applicant may waive any one or more of the following standards:
  - i. The required distance from a heritage tree or any street tree growing in the public right of way protected under Municipal Code Chapter 13.30, if a report prepared by a professional consulting arborist determines that the tree must be removed or that any other action must be taken that would otherwise require a heritage tree permit pursuant to Municipal Code Chapter 9.56 or street tree permit pursuant to Municipal Code Chapter 13.30. In this case, the statewide exemption dwelling unit is exempt from heritage tree permit and street tree permit requirements. Instead, the building permit plans shall include replacement tree(s) with a location and species specified in the arborist report, or the applicant shall pay an in-lieu fee, as described in the City's heritage tree regulations of Municipal Code Chapter 9.56, street tree regulations of Municipal Code Chapter 13.30, associated City Council resolutions, and associated implementing standards.

- ii. The riparian setback of a watercourse, when recommendations in a report prepared by a professional biologist with a background in riparian biology are followed and included on the building permit plans. The report recommendations shall not include a requirement to move the building; and/or
  - iii. Distance from a wetland as determined pursuant to Section 24.16.141.9(b), when recommendations in a report prepared by a professional biologist with a background in wetland biology are followed and included on the building permit plans. The report recommendations shall not include a requirement to move the building; and/or
  - iv. Distance from a sensitive habitat or vegetation area as determined pursuant to Section 24.16.141.9(e), when recommendations in a report prepared by a professional biologist with a background in sensitive habitat biology are followed and included on the building permit plans. The report shall not include a requirement to move the building; and/or
  - v. Distance from an archaeological resource recommended in a report prepared by a professional archaeologist. The applicant shall submit an additional review by the archaeologist with recommendations for archaeological resource protection based on the proposed location of the accessory dwelling unit. The additional review shall not include a requirement to move the building. The recommendations from the additional review shall be followed and included on the building permit plans.
- d. If waiver of all the standards in Section 24.16.141.11(c) results in a buildable area that precludes creation of a statewide exemption accessory dwelling unit, then the applicant may waive the following standards in the following order:
- i. Clear vision area
  - ii. Clear corner triangle

**Section 13.** Section 24.16.142 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Conversion Accessory Dwelling Unit Development Standards is hereby renamed Accessory Dwelling Unit Design Standards and amended to read as follows:

#### **24.16.142 ACCESSORY DWELLING UNIT DESIGN STANDARDS**

All accessory dwelling units, or the type of accessory dwelling unit if specified below, shall comply with the following design standards:

1. Municipal Code Requirements. All accessory dwelling units shall meet the objective design standards set forth in this Code, including landscape and tree removal and/or replacement requirements.

2. The following standards apply to accessory dwelling units that do not meet one or more of the standard setbacks for the zone district in which they are proposed:
  - a. The entrance to the accessory dwelling unit, access stairs, and second story decks shall face the interior of the lot unless the accessory dwelling unit is adjacent to an alley or a public street.
  - b. When an accessory dwelling unit is adjacent to an alley or a public street, the accessory dwelling unit shall be oriented toward the alley or street with the front access door and windows facing the alley or street. The entry facing the alley or street shall include a minimum of 12 square feet of flat, unenclosed, covered area, which may be a projection from the building, or inset, or a combination of the two.
  - c. Windows that do not meet the standard zone district side or rear setback and that face an adjoining residential property shall be designed to obscure views of that property by ADU occupants, including transom windows, translucent glass, or other methods; alternatively, fencing or landscaping shall be required to provide screening.
3. **Connections Between Units.** Accessory dwelling units shall not create access between units except a connection between the accessory dwelling unit and the primary dwelling via common access to a shared garage, laundry room, or storage area; provided, that each unit meets the definition of dwelling unit found in Section 24.22.320.
4. The application to construct an accessory dwelling unit on a property that is designated as a historic resource by the National Register of Historic Places, the State of California, or by the City, including any property that has been determined to be eligible for the City's historic building survey list but the property owner has elected to not list the property (opt-out), shall show substantial compliance with the guidelines of the Secretary of the Interior for development on such properties as confirmed in a report prepared by a professional historic consultant who is listed on the Department of Planning and Community Development's approved consultant list.

**Section 14.** Section 21.16.150 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Deed Restrictions is hereby renamed and amended to read as follows:

**24.16.150 USE STANDARDS.**

1. For any unit that is not approved for separate sale under the provisions of Government Code Sections 66340-66341: the accessory dwelling unit shall not be sold separately.
2. The unit shall not be altered from the approved size except by approval of a subsequent building permit where the resulting unit meets the accessory dwelling unit development standards described in this Part.
3. The use of the accessory dwelling unit shall be in effect only so long as the property is in compliance with the ordinance as codified.

4. Neither an accessory dwelling unit nor an associated primary dwelling shall be used on a transient occupancy basis or for short-term/vacation rental purposes with a term of 30 or fewer days.
  - a. Exception. A legal accessory dwelling unit property that had legal status prior to November 10, 2015, and was in use as a short-term/vacation rental prior to that date, and for which the owner remits transient occupancy tax in compliance with Chapter 3.28 in full in a timely manner for the use of the property as short-term/vacation rental purposes, may continue the use.
5. For properties with accessory dwelling units that are located in a permit parking program district, the primary dwelling and the accessory dwelling unit combined shall qualify only for the number of residential parking permits that would have been available to the primary dwelling. No additional permits will be granted for the accessory dwelling unit. The property owner shall offer the tenant of an accessory dwelling unit a residential parking permit if requested by the tenant.
6. For properties developed with attached accessory dwelling units, any portion of the accessory dwelling unit that in the future is remodeled to become part of the primary dwelling shall meet the zone district development standards that apply the primary dwelling.
7. If rented, the accessory dwelling unit and primary dwelling unit shall be registered with the residential rental dwelling unit inspection and maintenance program.
8. Occupancy.
  - a. For accessory dwelling units permitted on or after January 1, 2020, owner occupancy shall not be required and no land use agreement requiring owner occupancy shall be recorded or enforced on properties containing these units.
  - b. For accessory dwelling units permitted on or before December 31, 2019, the property owner or an adult member of the property owner's immediate family, limited to the property owner's spouse, adult children, parents, or siblings, and subject to verification by the city, shall occupy either the primary or accessory dwelling as his or her principal place of residence except under circumstances as established by resolution by the city council that may allow the property owner or the executor or trustee of the property owner's estate to apply to the city council for approval of a temporary change in use allowing both units to be rented for a period of no more than two years with a possible extension of one year by the planning director if circumstances warrant. Upon the expiration of the rental period, the property owner and/or the property owner's immediate family member, as specified above, shall reoccupy the property, or the property owner shall cease renting one of the units, or shall demolish the accessory dwelling unit, or shall sell the property to a buyer who will reside on the property. A

fee to cover the costs of processing such a request shall be in an amount established by resolution by the city council.

- c. For purposes of this chapter, the property owner is the majority owner of the property as shown in the most recent Santa Cruz County assessor's roll.
- d. If there is more than one property owner of record, the owner with the majority interest in the property shall be deemed the property owner for purposes of this chapter. Any property owner of record holding an equal share interest in the property may be deemed the majority property owner if no other property owner owns a greater interest. (For example, if the property is owned by two people, each with a fifty percent interest, either of the two owners may be deemed the property owner for purposes of the owner occupancy requirement. If three people own the property, each with a thirty-three and one-third percent interest, any one of the three may be deemed the property owner for purposes of the owner occupancy requirement.)

**Section 15.** Section 21.16.160 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Zoning Incentives is hereby amended to read as follows:

#### **24.16.160 ZONING INCENTIVES.**

The following incentives are to encourage construction of accessory dwelling units:

- 1. **Affordability Requirements for Fee Waivers.** In addition to any inclusionary housing requirements as set forth under Section 24.16.010 et seq., accessory dwelling units proposed to be rented at affordable rents, as established by the city, may have development fees waived per Part 4 of this chapter. Existing dwelling units shall be relieved of the affordability requirement upon payment of fees in the amount previously waived plus the difference between that amount and the fees in effect at the time of repayment.
- 2. **Front or Exterior Yard Parking.** Three parking spaces may be provided in the front or exterior yard setback under this incentive with the parking design subject to approval of the zoning administrator. The maximum impervious surfaces devoted to the parking area shall be no greater than the existing driveway surfaces at time of application. Not more than fifty percent of the front yard width shall be allowed to be parking area.
- 3. **Tandem Parking.** For a parcel with a permitted accessory dwelling unit, required parking spaces for the primary single-family dwelling and the accessory dwelling unit may be provided in tandem on a driveway. A tandem arrangement consists of one car behind the other. No more than three total cars in tandem may be counted towards meeting the parking requirement.

**Section 16.** Section 21.16.170 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Junior Accessory Dwelling Units is hereby amended to read as follows:

**24.16.170 JUNIOR ACCESSORY DWELLING UNITS.**

1. Notwithstanding any other regulation or definition of this code, one junior accessory dwelling unit shall be permitted on lots in zones—where single-family dwellings are an allowed use, including in the R-S, R-1, R-L, R-M, R-H, R-T(A), R-T(B), R-T(C), R-T(D), R-T(E), and P-A zones; where one or more single-unit buildings, including a single-family home, townhome, or a detached condominium or apartment on a site with multiple units, exist or are proposed on the lot; and where the owner of the property occupies the property as their principal place of residence.
2. For the purposes of this section, “junior accessory dwelling unit” shall have the same meaning as defined in Section 65852.22 of the California Government Code.
3. Junior accessory dwelling units shall be attached to a single-unit building and may be created in any part of an existing or proposed single-unit building, including in an attached garage. For purposes of this section, a proposed single-unit building shall mean the resulting building including the junior accessory dwelling unit, regardless of whether portions of the building already exist, and shall therefore include any new single-unit building or a single-unit building resulting from an addition to an existing single-unit building.
4. Junior accessory dwelling units shall be no larger than five hundred square feet in size.
5. Junior accessory dwelling units shall contain, at a minimum, the following features:
  - a. An exterior entrance separate from that of the primary dwelling.
  - b. A cooking facility with appliances.
  - c. A food preparation counter and storage cabinets of reasonable size in relation to the size of the junior accessory dwelling unit.
6. Junior accessory dwelling units may include separate sanitation facilities or may share sanitation facilities with the primary dwelling. Where sanitation facilities are shared with the primary dwelling, the junior accessory dwelling unit shall have access to the primary dwelling through internal circulation and shall not be required to exit the building in order to reach the entrance to the primary dwelling.
7. The property owner shall occupy either the junior accessory dwelling unit or the primary dwelling to which the junior accessory dwelling unit is attached as his or her principal place of residence. Owner-occupancy shall not be required if the owner is another governmental agency, land trust, or housing organization.

- a. For purposes of this section, the property owner is:
  - i. The majority owner(s) of the Property as shown in the most recent Santa Cruz County records.
  - ii. If there is more than one property owner of record, the owner with the majority or highest ownership interest in the Property shall be deemed the property owner. Any property owner(s) of record holding an equal share interest in the Property may be deemed the majority property owner(s) if no other property owner owns a greater interest.
  - iii. For property held by a corporation or business entity, a shareholder or officer of the corporation or business entity with the greatest shares or business interest as defined in the articles of incorporation, or other applicable business document.
  - iv. For property held in trust: a) the Trustor(s) or Settlor(s) who created the trust in which the Property is held; or any person(s) or entity deemed as the legal owner of the Property held in trust in accordance with the trust document, and b) who has/have the highest ownership interest in the Property.
8. Before obtaining a building permit for a junior accessory dwelling unit, the property owner shall file with the county recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the present owner and including:
  - a. A prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single-unit building, including a statement that the deed restriction may be enforced against future purchasers.
  - b. A restriction on the size and attributes of the junior accessory dwelling unit that conforms with the standards in 24.16.170.

**Section 17.** The City Council finds and determines that the adoption of this ordinance is considered a “project” under California Code of Regulations, Title 14, section 15378(a)(1) of the California Environmental Quality Act (CEQA) Guidelines, typically subject to environmental review. The City Council finds that these amendments fall within the analyzed development potential in the City’s existing 2030 General Plan EIR using the existing zoning and General Plan and, therefore, pursuant to Section 15183 of the CEQA Guidelines, no further environmental review under CEQA is required.

**Section 18.** If any section or portion of this ordinance is found to be invalid by a court of competent jurisdiction, such finding shall not affect the validity of the remainder of the ordinance, which shall continue in full force and effect.

**Section 19.** Ordinances 2022-22 and 2023-01 shall be rescinded when this ordinance takes effect and be in full force.

**Section 20.** This ordinance shall take effect and be in full force thirty (30) days after final adoption.

PASSED FOR PUBLICATION this 8<sup>th</sup> day of October 2024, by the following vote:

AYES: Councilmembers Newsome, Watkins, Brunner; Mayor Keeley.

NOES: Councilmembers Brown, Kalantari-Johnson.

ABSENT: Vice Mayor Golder.

DISQUALIFIED: None.

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

PASSED FOR FINAL ADOPTION this 22<sup>nd</sup> day of October 2024 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2024-18 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

\_\_\_\_\_  
Bonnie Bush, City Clerk Administrator