

RESOLUTION NO. NS-30,132

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ UPDATING
PARKING REQUIREMENTS IN PARKING DISTRICT NO. 1 AND RESCINDING
RESOLUTION NO. NS-29,858

WHEREAS, proceedings for the formation of Parking District No. 1 were initiated by the City Council of the City of Santa Cruz in Resolution No. NS-2233, adopted June 25, 1956;

WHEREAS, thereafter Parking District No. 1 was duly formed and now exists in the Central Business District of the City of Santa Cruz, pursuant to said resolution, City ordinances, and the Parking District Law of 1951, California Streets and Highways Code, Section 35100 et seq.;

WHEREAS, the system of off-street automobile parking spaces in Parking District No. 1 has been acquired and improved for the benefit of the properties in said Parking District No. 1, and for the use by business owners, their employees, customers, and others in Parking District No. 1.

WHEREAS, bonds of Parking District No. 1 have been issued, sold, and delivered to finance the acquisition and improvement of parking supply and funds have been required to pay a portion of the principal and interest of said bonds;

WHEREAS, Santa Cruz Municipal Code Section 12.32.420 and California Streets and Highways Code Section 35108(g), authorize the City to fix and collect rentals, fees, and charges for the use of parking places in Parking District No. 1;

WHEREAS, the Downtown Commission recognized the need to create deficiency fee equity for sole medical practitioners with 1200 square feet or less office area;

WHEREAS, the Downtown Commission, in an effort to establish equity and fair standards for all businesses downtown, has recognized the need to assess deficiency fees from ongoing special events that do business in public parking lots at least once a month;

WHEREAS, on September 8, 2020, the City Council adopted a revised parking rates strategy to sunset the deficiency fee;

WHEREAS the COVID-19 pandemic created hardships for the downtown businesses and the parking deficiency fees were suspended to help offset these hardships;

WHEREAS on September 22, 2022 Assembly Bill 2097 was passed to prohibit a public agency from imposing a minimum automobile parking requirement on any residential, commercial, or other development project (exclusive of event centers and transient lodging) that is located within ½ mile of public transit starting January 1, 2023;

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WHEREAS all of the Downtown Parking District No. 1 is within ½ mile of public transit which therefore prohibits the City of imposing automobile parking requirements on certain projects within Parking District 1;

WHEREAS on March 23, 2023 the Downtown Commission reviewed and recommended updates to the Parking Rates within Parking District No. 1;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

SECTION 1: DEFINITIONS. Terms used herein shall have the following meaning unless the context otherwise requires:

(a) ADEQUATE. "Adequate" means that Parking District No. 1 is able to supply at least half of the expected parking demand of the new project.

(b) DECISION MAKING BODY. "Decision making body" shall mean the Santa Cruz City Council which is the final approval body for matters pertaining to Parking District No. 1.

(c) DEFICIENCY FEE. "Fee" means the Parking Deficiency Fee.

(d) AB 2097 DEVELOPMENT PROJECT. "AB 2097 Development project" as defined by AB 2097 means a residential or commercial project and does not include an event center and does not include a project where any portion is designated for use as a hotel, motel, bed and breakfast inn, or other transient lodging, except where a portion of a housing development project is designated for use as a residential hotel, as defined in Section 50519 of the Health and Safety Code.

(e) GROSS FLOOR AREA. "Gross Floor Area" shall mean the sum of the gross horizontal floor area of a building measured from the exterior face of exterior walls, or from the centerline of a wall separating two (2) buildings; in cases where no walls exist or a roof projects more than two (2) feet beyond exterior wall, the gross horizontal floor area shall be that area covered by the roof excluding two (2) feet for standard roof projection. In buildings where multiple tenants share common area, the common area shall be divided among the tenants based on their percentage of privately occupied floor area.

(f) IN-LEIU FEE. To meet parking requirements within Parking District No. 1, the developer shall have the option of paying a one-time in-lieu fee rather than providing off-street parking for automobiles within the project.

(g) OFF-STREET PARKING SPACE. "Off-street parking space" has the meaning set forth in the Santa Cruz Municipal Code, Title 24 (Zoning Ordinance), Chapter 24.10.

(h) ORDINANCES AND PROCEEDINGS. "Ordinances and proceedings" refers herein to any City codes, ordinances, resolutions, and proceedings referring to such codes,

ordinances, resolutions, and proceedings, as they now exist, or as they may be now or hereafter amended or modified.

(i) PARKING PLACES. "Parking places" means all public parking lots owned or leased by the City, and located within Parking District No. 1.

(j) PERSON. "Person" means any individual, corporation, general partnership, limited partnership, trust, or any other form of business organization.

SECTION 2. OFF-STREET AUTOMOBILE PARKING REQUIREMENTS IN PARKING DISTRICT NO 1.

California Assembly Bill 2097 was passed on September 22, 2022 which prohibits a public agency from imposing a minimum automobile parking requirement on any residential, commercial, or other development project (exclusive of event centers and transient lodging) that is located within ½ mile of public transit starting January 1, 2023. All of Parking District No. 1 is within one-half mile of public transit which therefore prohibits the City from imposing automobile parking requirements on development projects (as defined by CA AB 2097) within Parking District No. 1. The developer of "AB 2097 development projects" shall include in all tenant leases a disclosure statement stating that Parking District No. 1 does not guarantee dedicated parking.

When parking is provided as part of a development project, requirements for parking spaces with electric vehicle charging facilities and parking spaces that are accessible to persons with disabilities must be implemented in a manner consistent with the California Building Standards Code and state law.

For the purpose of computing the parking space requirements for projects that are not "AB 2097 development projects" as defined above, the requirements of Chapter 24.12 shall be modified below. These modifications incorporate shared parking standards. No ability to gain additional parking space reductions under Chapter 24.12 of the Zoning Ordinance are permitted.

(a) Unless otherwise required in this resolution, all parking ratios will be computed on the basis of one space for each four hundred (400) square feet of gross floor area

(b) Existing or reconstructed hotel, or other transient lodging shall pay fees based on the following standards: 0.25 space/unit

SECTION 3: CALCULATION OF PARKING SHORTAGES IN PARKING DISTRICT NO. 1

The parking space shortage for any use in Parking District No. 1 shall be computed as follows:

(1) First, determine the number of off-street parking spaces that would be required under Santa Cruz Municipal Code Title 24 (Zoning Ordinance), Chapter 24.12 as modified in SECTION 2 of this resolution, where the owner or occupant of project is required to provide such off-street parking spaces.

(2) Second, subtract therefrom the number of off-street parking spaces actually being provided or will be provided for the premise by the owner or occupant of the premise, in conformity with the requirements of Chapter 24.12 as modified in this ordinance; include in the subtracted number only such spaces as are open to the public free of charge.

(3) The number obtained by this subtraction is the parking space shortage for the premise. This shortage will be used in calculation of in-lieu fees.

(4) In the event that the project is a change of use of an existing development, the parking shortage will only be calculated for any intensification in required parking over the existing requirements. In-lieu fees for any parking shortage will only be assessed on difference between current requirements and new requirements. There will be no refunds of fees if the new project has a lower parking requirement than the proposed project.

SECTION 4 IN LIEU FEES. To meet applicable parking requirements within Parking District No. 1, the developer shall have the option of paying a one-time in-lieu fee rather than providing off-street parking within the project.

(a) For development projects that have required parking and where Public Works staff and the Downtown Commission are able to determine that there is sufficient supply in Parking District No. 1 or there is a public benefit in allowing such a project to proceed, even though its anticipated parking demand cannot be served in public parking facilities, the property owner of a project is allowed to proceed with the project by paying a one time in-lieu fee.

(b) The in-lieu fee shall be paid on the shortage of parking spaces as calculated in Section 3.

(c) This fee will apply to both new uses and intensification of existing uses when the calculated parking requirements increase. In the case of intensification, the in-lieu fee will only apply to the increase in requirements over the previous use, not the entire requirement.

(d) Where a property is eligible for a one time in-lieu fee, the property owner shall be liable for the in lieu fee, and the fee shall be calculated and paid at the time of the issuance of a building permit

SECTION 5. PARKING FEES IMPOSED. In-Lieu Fees for use of the parking spaces and other Parking District No. 1 facilities are hereby fixed and imposed.

These fees shall be as set forth in Section 6 and remain in effect until modified or repealed by a subsequent resolution of the Santa Cruz City Council. For projects that cannot meet their on-site parking requirements, the in-lieu fee that is in place at the time of building permit shall apply.

SECTION 6. PARKING FEES FOR DEFICIENCY FEE AND IN-LIEU FEE.

(a) Deficiency Fee Rates. As of July 1, 2023, the Deficiency Fee will be eliminated.

(b) ONE TIME IN-LIEU FEE RATE. For any project where parking is required and not provided on-site, and where the Downtown Commission and the decision-making body determine that a one time in-lieu fee is appropriate, the in-lieu fee shall be paid at \$20,000 per required parking space.

SECTION 7. PURPOSES AND PROCEEDS. The purpose of this resolution is to provide revenue for Parking District No. 1 to assist in meeting bond payments. The proceeds of the fees herein fixed shall be deposited in the Bond Fund created by Section 30 of Resolution No. NS-2757, a resolution providing for issuance of bonds, adopted September 4, 1957, and applied to the purposes therein provided. Any excess not required for the purposes stated in said bond resolution shall be deposited in the Bond Fund created by subsequent bond resolutions authorizing the issuance of addition bonds for Parking District No. 1, and shall be applied to the purposes therein provided. Any excess thereafter shall be applied to enforcement, maintenance and other capital and operating costs of Parking District No. 1.

SECTION 8. ADMINISTRATIVE REGULATIONS. The Director of Finance may adopt regulations consistent with the provisions of this resolution, whenever necessary or convenient, for the proper administration of this resolution.

SECTION 9. EFFECTIVE DATE. This resolution shall take effect immediately upon the date of its adoption.

BE IT FURTHER RESOLVED that Resolution No. NS-29,858 is hereby rescinded.

PASSED AND ADOPTED this 11th day of April, 2023 by the following vote:

AYES: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson;
Vice Mayor Golder; Mayor Keeley.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: _____

Fred Keeley, Mayor

ATTEST: _____

on behalf of Bonnie Bush, City Clerk Administrator