



# Appendix E

## *Housing Constraints*



## Housing Constraints

A variety of constraints may affect the provisions and opportunities for adequate housing in the City of Santa Cruz. Housing constraints consist of both governmental constraints (including, but not limited to, development standards and building codes, land use controls, and permitting processes) and non-governmental or market constraints (including, but not limited to, land costs, construction costs, and availability of finances). Potential infrastructure and environmental obstacles are also classified as housing constraints. Combined, these factors can create barriers to availability and affordability of new housing, especially for lower and moderate-income households.

### A. Non-Governmental Constraints

Nongovernmental constraints largely affect the cost of housing in Santa Cruz and can produce barriers to housing production and affordability. These constraints may include real wages, the availability and cost of land for residential development, the demand for housing, financing and lending, construction costs, and the availability of labor, which can make it expensive for developers to build any housing, especially affordable housing. The following highlights the primary market factors that affect the production of housing in the City of Santa Cruz.

#### **1. Land Costs and Construction**

Construction costs vary widely according to the type of development, with multi-unit housing generally less expensive per unit to construct than single-unit homes. However, there is variation within each construction type, depending on the size of the unit and the number and quality of amenities provided. An indicator of construction costs is Building Valuation Data compiled by the International Code Council (ICC). The ICC was established in 1994 with the goal of developing a single set of national model construction codes, known as the International Codes, or I-Codes. The ICC updates the estimated cost of construction at six-month intervals and provides estimates for the average cost of labor and materials for typical Type VA wood-frame housing. Estimates are based on “good-quality” construction, providing for materials and fixtures well above the minimum required by state and local building codes. In February 2022, the ICC estimated that the average per square-foot cost for good-quality housing was approximately \$144.50 for multi-unit housing, \$160.35 for single-unit homes, and \$181.25 for residential care/assisted living facilities. Construction costs for custom homes and units with extra amenities run even higher. Construction costs are also dependent upon materials used and building height, as well as regulations set by the City’s adopted Building Code. For example, according to the ICC, constructing an accessory dwelling unit (ADU) or converting a garage using a Type VB wood framed unit would cost about \$150.87 per square foot. Although construction costs are a significant portion of the overall development cost, they are consistent throughout the region and, especially when considering land costs, are not considered a major constraint to housing production in Santa Cruz.

Land costs can also pose a significant constraint to the development of affordable and middle-income housing and represent a significant cost component in residential development. Land costs may vary depending on whether the site is vacant or has an existing use that must be removed.

Similarly, site constraints such as environmental issues (e.g., steep slopes, soil stability, seismic hazards, flooding) can also be factored into the cost of land. Additional costs may be associated with redeveloping and/or converting sites, which may influence the cost of the rental units or home value.

A Zillow search for vacant lots sold between September 2019 and September 2022 returned lots ranging from 0.06 acres to 152.11 acres. Of the lots listed, the costs ranged significantly depending on the area of the City. Lots with ocean views averaged \$338 per square foot while lots more inland averaged less than \$100 per square foot. The cost of ocean view lots increases the average cost per square foot in the City.

## **2. Availability of Financing**

The availability of financing in a community depends on a number of factors, including the type of lending institutions active in a community, lending practices, algorithms, rates, and fees charged, laws and regulations governing financial institutions, and equal access to such loans. Additionally, availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications and the income, gender, and race of loan applicants. The primary concern in a review of lending activity is to determine whether home financing is available to all residents of a community, regardless of income, sex, race, or ethnicity. The data presented in this section includes the disposition of loan applications submitted to financial institutions for home purchase, home improvement, and refinancing in the Santa Cruz-Watsonville MSA/MD.

Table E-1 below displays the disposition of loan applications for the Santa Cruz-Watsonville MSA/MD per the 2021 Home Mortgage Disclosure Act report. According to the data, applications in the 100-119 percent of the MSA/MD median had the highest rates of loan approval. Within that income category, those who identify as Native Hawaiian or other Pacific Islander had the highest approval rates (80 percent), while those who identify as American Indian and Alaska Native and Hispanic or Latino had the lowest rates (60 and 65.2 percent, respectively). There is no general trend across income categories. Those who identify as White had significantly more applications than any other racial or ethnic group. Persons who identify as White accounted for 81 percent of all applications received. Some racial or ethnic groups only had a handful of applications in certain income categories, which has skewed the results.

According to the data, applicants who identify as Black or African American were on average more likely than other race/ethnicities to receive a loan approval (70.1 percent), although the limited number of applications may skew the results. On average, applicants who identify as Black or African American have approval rates approximately 24 percent higher than the lowest approval rate of all Race or Ethnicity groups (American Indian and Alaska Native, 45.2 percent approval).

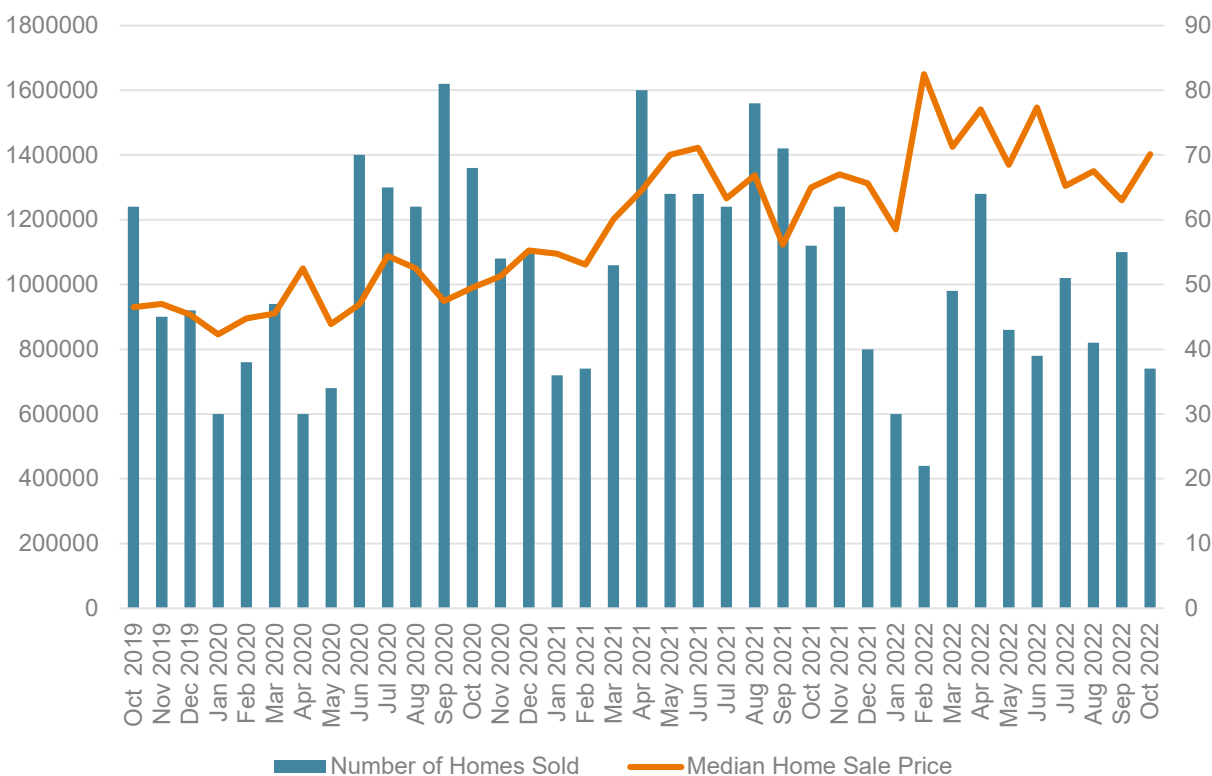


Table E-1: Disposition of Loan Applications by Race/Ethnicity – Santa Cruz-Watsonville MSA/MD				
Applications by Race/Ethnicity	Percent Approved	Percent Denied	Percent Other (1)	Total (Count)
<b>LESS THAN 50% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	21.4%	42.9%	35.7%	14
Asian	35.7%	31.0%	33.3%	42
Black or African American	61.5%	23.1%	15.4%	13
Native Hawaiian or other Pacific Islander	0.0%	100.0%	0.0%	2
White	48.6%	26.1%	25.3%	1086
Hispanic or Latino	41.9%	32.6%	25.6%	227
<b>50-79% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	46.2%	23.1%	30.8%	13
Asian	46.7%	30.7%	22.7%	75
Black or African American	50.0%	25.0%	25.0%	12
Native Hawaiian or other Pacific Islander	66.7%	16.7%	16.7%	6
White	65.0%	14.9%	20.1%	1942
Hispanic or Latino	60.2%	17.1%	22.7%	467
<b>80-99% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	33.3%	66.7%	0.0%	6
Asian	56.0%	8.0%	36.0%	25
Black or African American	100.0%	0.0%	0.0%	3
Native Hawaiian or other Pacific Islander	50.0%	0.0%	50.0%	2
White	69.1%	8.8%	22.1%	748
Hispanic or Latino	61.4%	14.3%	24.3%	140
<b>100-119% OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	60.0%	20.0%	20.0%	10
Asian	69.9%	8.7%	21.4%	103
Black or African American	76.5%	11.8%	11.8%	17
Native Hawaiian or other Pacific Islander	80.0%	20.0%	0.0%	5
White	73.6%	8.7%	17.7%	2212
Hispanic or Latino	65.2%	10.5%	24.3%	362
<b>120% OR MORE OF MSA/MD MEDIAN</b>				
American Indian and Alaska Native	65.2%	4.3%	30.4%	23
Asian	71.3%	6.6%	22.1%	470
Black or African American	62.5%	12.5%	25.0%	32
Native Hawaiian or other Pacific Islander	71.4%	7.1%	21.4%	14
White	74.5%	7.5%	18.0%	7018
Hispanic or Latino	68.9%	12.7%	18.4%	550
Notes: 1. "Other" includes: applications withdrawn, files closed for incompleteness, and purchased loans.				
Source: Consumer Financial Protection Bureau, Disposition of loan applications, by Ethnicity/Race of applicant, 2021.				

## 3. Economic Constraints

Market forces on the economy and the trickle-down effects on the construction industry can act as a barrier to housing construction and especially to affordable housing construction. It is estimated that housing price growth will continue in the City and the region for the foreseeable future. Moving into 2020, the economy was growing, California was seeing a 1.6 percent growth in jobs from 2019 and experiencing all-time lows for unemployment rates. The COVID-19 pandemic had stalled much of the economy in early 2020; however, as [Figure E-1](#) shows, the Santa Cruz housing market has maintained overall growth. [Figure E-1](#) also shows the sale of homes continued throughout the pandemic; and despite inflation and increases in home costs, homes sold consistently.

**Figure E-1: Median Sale Price and Homes Sold (2020-2022)**



Source: Redfin, Santa Cruz Housing Market Trends (Accessed December 6, 2022).

A July 2022 California Association of Realtors (CAR) report found that single-family homes on the market in Santa Cruz County had a median sold price of \$1,250,000 and experienced a year-to-year change of 5.5 percent. Santa Cruz is located in the Central Coast region, which had a median sold price of \$950,000 during the same period. Single-family homes on the market in the San Francisco Bay Area had the highest median sold price in the State of California at \$1,300,000.

According to a CAR First-Time Buyer Housing Affordability Index report for the second quarter of 2022, the median home price for a single-family home in Santa Cruz County was \$1,147,500 with monthly payments of \$6,280 (including taxes and insurance). This required a minimum qualifying

income of \$188,400. In comparison, the median cost for a single-family home in California was \$750,860, with monthly payments of \$4,110 and a minimum qualifying income of \$123,300.

The cost of land and home prices in Santa Cruz may be considered a constraint to the development of and access to housing, particularly affordable housing; however, these home and land costs are consistent with jurisdictions in the region and with other coastal communities. Furthermore, the City was very successful in working with developers throughout the 5<sup>th</sup> cycle to create affordable housing and as such, it is not considered a constraint.

## B. Environmental Constraints

The City of Santa Cruz may be susceptible to several environmental constraints to the development of housing. While the City's land, hillsides, and waterways are assets to the community, these features can present risks due to flood, geologic, and seismic hazards. In addition, human-caused risks such as hazardous materials can pose risks to community health and safety. Effective planning to prepare for and mitigate the adverse effects of these risks can help ensure that Santa Cruz maintains a high level of safety for its residents. The City of Santa Cruz plans and engages mitigation techniques through the City's Hazards, Safety, and Noise Element.

### 1. *Geological and Seismic Hazards*

Geologic and seismic hazards in Santa Cruz include those related to earthquakes, steep slopes and landslides, erosion, and soil subsidence. Earthquakes pose the greatest potential for far-reaching loss of life or property. Santa Cruz is located within a 15-mile radius of at least six major seismic faults and fault systems. According to the USGS Interactive Fault Map, the nearest active fault zones include the Ben Lomond Fault and San Andreas Fault zones. The San Andreas Fault has the estimated potential to produce a magnitude 8.0 earthquake. Residential development within a seismically active zone could expose Santa Cruz residents to adverse effects.

A lesser geologic hazard relates to soil stability in the City. Hillsides located mostly on the periphery of the City can be subject to landslides and portions of the City have expansive soil types. Expansive clay soils, which can shrink and swell, are common within the City of Santa Cruz. In addition, areas found in the City may be subject to liquefaction during a seismic event if groundwater is present near the surface. Cliff retreat is the result of hillside or coastal headland erosion from weathering, physical disturbance and, in the case of ocean cliffs, the continuous and forceful actions of waves and tides. In the City, cliff retreat is prevalent along North Pacific Avenue, Chestnut Street, and ocean cliffs at West Cliff Drive and Seabright Beach.

While virtually all of Santa Cruz is subject to potential geologic and seismic hazards, the City analyzed these hazards during the candidate sites selection process and determined that selected sites were not precluded by geologic and seismic hazards. The identified sites are suitable for development and to ensure structural stability, seismic and geologic hazards are addressed through the environmental and development review and permitting process. The City's 2030 General Plan also establishes policies to address potential hazards.

## 2. Flood Hazards

Potential flooding in Santa Cruz is attributable to intense rainfalls, localized drainage problems, tsunamis and seiches, and failures of flood control. Flooding becomes particularly hazardous when development encroaches onto floodplains, modifying the landscape and altering natural patterns of conveying excess water during floods. Santa Cruz's geographic location in proximity to several significant bodies of water contributes to the flood risk within the City. Flooding in Santa Cruz has occurred primarily along San Lorenzo River. The greatest flood hazard is present mainly along the San Lorenzo River, Moore Creek, Arana Gulch, Branciforte Creek, and Carbonera Creek, that are included as flood hazard areas in existing Federal Emergency Management Agency (FEMA) maps.

The City, in conjunction with the Army Corps of Engineers, worked to improve the flood capacity of the San Lorenzo River. Major construction was completed on the levees and bridges along the river. FEMA recognized the increased flood protection by granting an A-99 flood zone designation for most of the floodplain in the City. Flood insurance premiums in the A-99 flood zone are up to 50 percent lower than under the previous designation. New buildings and improvements to structures in the A-99 zone do not need to meet FEMA flood elevation construction requirements unless the property owner wishes to do so. Flooding is a hazard on the lower reaches of Moore Creek, the lower portion of Arana Gulch north of the Santa Cruz Yacht Harbor, and along portions of Branciforte and Carbonera creeks. Development in these floodplains is strictly limited to reduce potential hazards to people or property.

Figure E-2 shows the flood risk in the City with the following risk areas:

### Moderate to Low Risk Areas

- **X** – Areas outside the 1% annual chance floodplain, areas of 1% annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1% annual chance stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 1% annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone. Insurance purchase is not required in these zones.
  - No sites identified in the X area.

### High Risk Areas

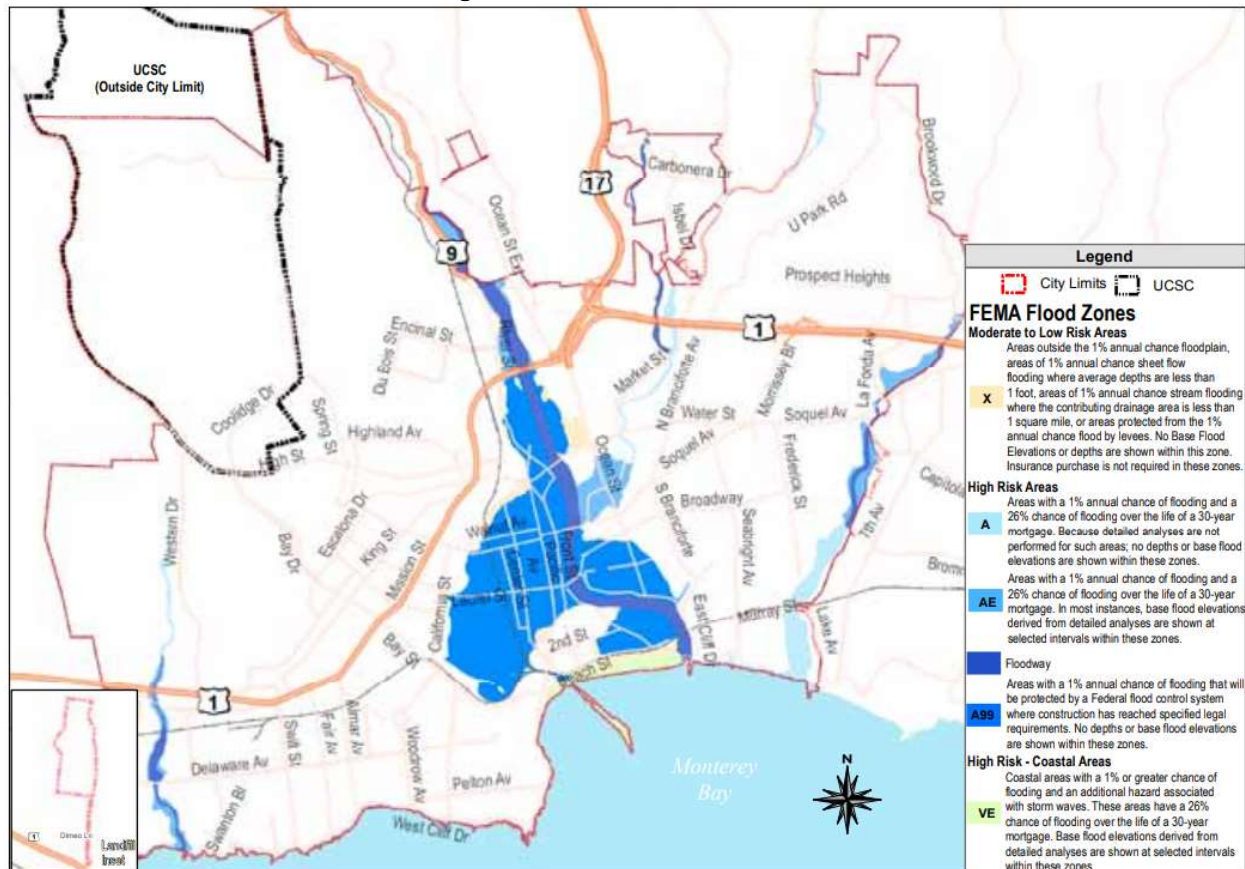
- **A** – Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
  - No sites identified in the A area.
- **AE** – Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. In most instances, base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
  - Three (3) sites identified in the AE area. To ensure structural stability, flood hazards are addressed through the environmental and development review and permitting process. The City's 2030 General Plan also establishes policies to address potential hazards.
- **AH** – Floodway
  - No sites identified in the floodway area.

- **A99** - Areas with a 1% annual chance of flooding that will be protected by a Federal flood control system where construction has reached specified legal requirements. No depths or base flood elevations are shown within these zones.
  - Approximately 25 percent of the identified sites are in the A99 area. To ensure structural stability, flood hazards are addressed through the environmental and development review and permitting process. The City's 2030 General Plan also establishes policies to address potential hazards.

## High Risk – Coastal Areas

- **VE** - Coastal areas with a 1% or greater chance of flooding and an additional hazard associated with storm waves. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Base flood elevations derived from detailed analyses are shown at selected intervals within these zones.
  - No sites identified in the VE area.

Figure E-2: FEMA Flood Zones



Source: City of Santa Cruz 2030 General Plan

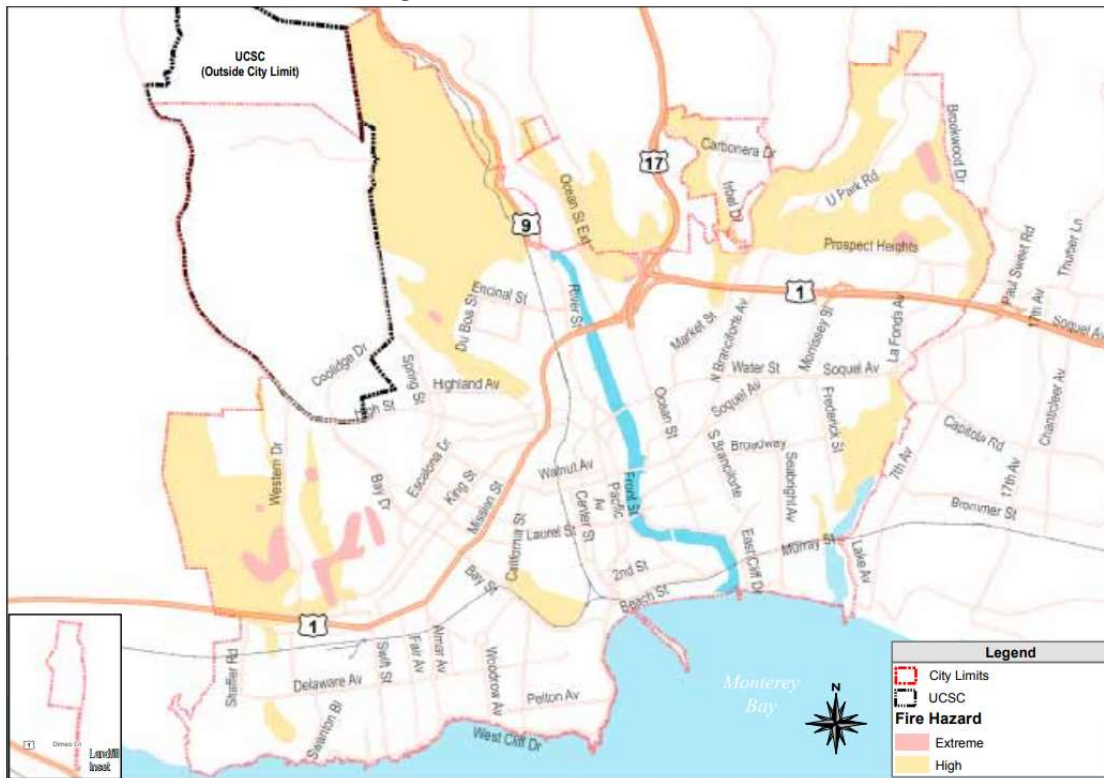


### 3. Fire Hazards

Wildfires (large-scale brush and grass fires) pose the most risk to the City and particularly neighborhoods near undeveloped areas. The City is surrounded by thousands of acres of undeveloped hillsides that are at high risk of human-caused wildfires. The California Department of Forestry and Fire Protection (CDF) has mapped the relative wildfire risk in areas of significant population by intersecting residential housing density with proximate fire threat. The CDF map shows four risk levels: Moderate, High, Very High, and Extreme. While no part of the Planning Area faces an “extreme” threat, the resource maps show that much of the city is classified in a “very high” fire danger zone, principally because the wildland fire zones include a 1.5 mile buffer. The fire department aims to reduce fire risk through its weed-abatement program, which covers all wildland areas within the city’s jurisdiction. The department also works with the County, which has a State and locally approved fire management plan that coordinates among a number of State, regional, and county agencies. In addition, the City has adopted a Wildland Urban Interface ordinance that applies specific sections of the California Building Code related to fire protection to all new construction and new materials for remodels and additions within the wildland-urban interface areas. According to the 2030 General Plan, the City has experienced growing need for additional fire services as tourism and City population increases. The overall risk of structural fires is fairly minimal due to compliance with building codes and the fire department’s building-inspection program.

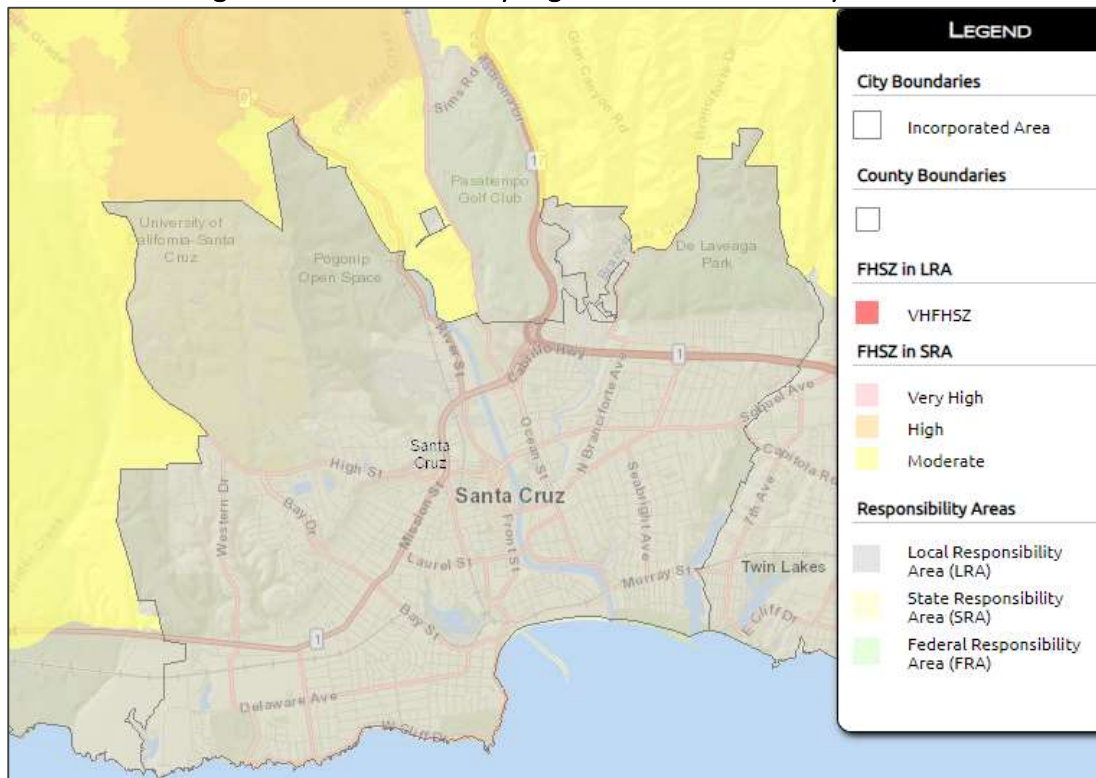
While virtually all of Santa Cruz is subject to potential fire hazards, the City analyzed these hazards during the candidate sites selection process and determined that selected sites were not precluded by fire hazards. Approximately 10 sites have been identified in areas with “high fire hazard” risks, but the City determined that the identified sites are suitable for development and to ensure structural stability and personal safety, fire hazards are addressed through the environmental and development review and permitting process. The City’s 2030 General Plan also establishes policies to address potential hazards.

Figure E-3: Fire Hazard Areas



Source: City of Santa Cruz 2030 General Plan

Figure E-4: CAL FIRE Very High Fire Hazard Severity Zones



Source: CAL FIRE VHFHSZ Maps

Although the City has identified environmental issues above, they do not impact the City's ability to accommodate the number of units required to meet the RHNA obligation.

The City has reviewed all sites for the above environmental concerns and considerations as well as development regulations and land use restrictions. During the sites analysis process, the City also reviewed any other any known conditions that preclude or significantly impact development in the planning period. Examples of other known conditions include shape, access, property conditions, easements, contamination, overlays and airport compatibility. Based on this analysis, the City determined that all candidate sites can feasibly develop housing and do not experience any known environmental constraints that preclude development during the planning period.

Additionally, each site has been reviewed for access to infrastructure, water, utilities, and additional development constraints. Where the analysis showed increased barriers to development related to environmental concerned, infrastructure concerns, or existing conditions and development concerns (such as fire hazards, hazardous surrounding uses, restrictive development standards, etc.), the sites were removed. The result is a list and analysis of sites which are most ripe for development or redevelopment for housing. A complete analysis of the sites is provided in [Appendix G](#).

## C. Governmental Constraints

In addition to market constraints, local policies and regulations also affect the price and affordability of housing and the provision of affordable housing. For example, State and Federal regulations affect the availability of land for housing and the cost of housing production, making it difficult to meet the demand for affordable housing and limiting supply in a region. Regulations related to environmental protection, building codes, and other topics may have significant, often adverse, impacts on housing cost and affordability while providing safer housing with fewer impacts on the environment.

While the City of Santa Cruz has no control over State and Federal policies and regulations that affect housing, the City's Housing Element can address local policies and regulations that create constraints on the development of housing, and particularly affordable housing.

### 1. Land Use Controls

Jurisdictions in California are required by Law to prepare comprehensive, long-term General Plans to guide future development. The Land Use Element of the General Plan establishes permitted land uses and development density throughout the City of Santa Cruz. These land uses provide a wide variety of housing types throughout the City, while also ensuring compatibility between neighboring uses. [Table E-2](#) lists the land uses that permit residential developments and their density ranges. This information is readily available on the City's website, in compliance with State transparency requirements.

**Table E-2: Residential Land Uses and Density Ranges**

General Plan Land Uses	Density Range (Dwelling Units per Acre)	Total Acreage for Land Use Category
Very-Low-Density Residential (VL)	0.1 – 1.0 du/ac	186
Low-Density Residential (L)	1.1 – 10 du/ac	2,427
Low-Medium-Density Residential (LM)	10.1 – 20 du/ac	598
Medium-Density Residential (M)	20.1 – 30 du/ac	227
High-Density Residential (H)	30.1 – 55 du/ac	8
Mixed-Use Medium Density (MXMD)	10 – 30 du/ac	51
Mixed-Use High Density (MXHD)	10 – 55 du/ac	41
Mixed-Use Visitor Commercial (MXVC)	0 – 55 du/ac	38
Neighborhood Commercial (NC)	0.25-1.5 FAR	10
Community Commercial (CM)	0.25-1.75 FAR	179
Regional Visitor Serving Commercial (RVC)	0.25-3.5 FAR (to 5.0 in Downtown)	206

Source: City of Santa Cruz General Plan, Land Use Element.

The Land Use Element of the General Plan identifies the following residential and mixed-use categories:

- **Very-Low-Density Residential (VL)** – Intended to provide a rural transition area between undeveloped land and single-family residential neighborhoods. Also applied to areas with significant environmental constraints. Large-lot, single-family homes are typically developed under this designation.
- **Low-Density Residential (L)** – Provides for single-family residential neighborhoods typically comprising detached homes. Santa Cruz’s low-density residential areas include a wide variety of architectural styles.
- **Medium-Density Residential (M)** – Accommodates a mix of single-family and multifamily residential uses, including low-rise apartments, condominiums and townhomes. This land use category has been designated for some single-family neighborhoods with a historic pattern of small lots. It is the intent of the Plan that, in areas designated M where detached single-family homes are prevalent, new development should reflect the scale and character of the then-existing homes.
- **High-Density Residential (H)** – Accommodates mid-rise multifamily buildings, typically apartments, in areas where increased densities and building heights are appropriate. Used in locations where the City’s goal is to provide for intensive infill housing.
- **Mixed-Use Medium Density (MXMD)** – Applies to sites along the Ocean Street corridor and the Mission Street corridor between Swift Street and Laurel Street. It accommodates mixed-use development at a scale that is similar to existing buildings along the corridor. The typical commercial uses are similar to those in the Community Commercial (CM) designation, and pedestrian-oriented commercial uses are encouraged on the ground floor.
- **Mixed-Use High Density (MXHD)** – This designation may be applied to sites along Water Street, and Soquel Avenue corridors. The typical commercial uses are similar to those in the Community Commercial (CM) designation, and pedestrian-oriented commercial uses



are encouraged on the ground floor. The MXHD designation allows a maximum FAR of 1.75 as of right, including a maximum of 30 dwelling units per acre. However, a project that meets a number of specific criteria, as determined by the Planning Commission, may have an FAR of up to 2.75, including up to 55 dwelling units per acre.

- **Mixed-Use Visitor Commercial (MXVC)** – This designation may be applied to sites along the Ocean Street corridor, as well as sites within 1,000 feet of Ocean Street’s centerline and which front on Water Street, Soquel Avenue, May Avenue, or Broadway. The designation is intended to encourage high-quality visitor-serving commercial development along Ocean Street, particularly hotels and motels. However, it also accommodates other multi-story commercial development, such as office buildings. The MXVC designation allows a maximum FAR of 2.75. It does not allow any dwelling units as of right. However, a project that meets a number of specific criteria, as determined by the Planning Commission, may include up to 55 dwelling units per acre within this FAR.

## Commercial Designations

Santa Cruz’s commercial designations accommodate a variety of retail and office uses, including neighborhood-serving uses as well as businesses that serve the entire region. All commercial designations allow mixed-use developments that provide permanent residential dwelling units.

- **Neighborhood Commercial (NC), 0.25 to 1.5 FAR** – Intended for small-scale commercial uses that serve residential neighborhoods, such as laundromats, grocery stores, and convenience stores. These uses can provide a focal point for the neighborhood and help reduce the number of automobile trips that nearby residents must take.
- **Community Commercial (CM), 0.25 to 1.75 FAR** – Accommodates businesses that serve the general needs of the community, including retail, service, and office establishments. Typical uses in these areas include restaurants, grocery stores, furniture stores, general merchandise, medical and legal offices, and auto parts stores, as well as mixed-use projects that include these commercial uses on the ground floor.
- **Regional Visitor Commercial (RVC), 0.25 to 3.5 FAR** – Applies to areas that emphasize a variety of commercial uses that serve Santa Cruz residents as well as visitors. Mixed-use development is strongly encouraged in RVC districts. Areas designated RVC include:
  - **Downtown Santa Cruz, 0.25-5.0 FAR** – Emphasizes a mix of regional office and retail uses, residential and mixed-use developments, restaurants, and visitor attractions such as entertainment venues. The Downtown Recovery Plan provides detailed requirements for this area.
  - **South of Laurel** – Emphasizes mixed-use and residential development along with visitor-serving and neighborhood commercial uses to connect the Beach Area with Downtown Santa Cruz. The Beach and South of Laurel Comprehensive Area Plan provides detailed requirements for this area.
  - **Beach Area** – Emphasizes visitor-serving commercial uses such as hotels, motels, restaurants, and amusement parks, as well as residential and mixed-use development in the Beach Area neighborhoods. The Beach and South of Laurel Comprehensive Area Plan provides detailed requirements for this area.

For most areas designated RVC, the minimum and maximum development intensity is specified in the Downtown Plan or the Beach and South of Laurel Comprehensive Area Plan. In areas that are designated RVC but are not addressed in an Area Plan, the minimum FAR is 0.25 and the maximum is 1.75.

These categories accommodate development of a wide range of housing types in Santa Cruz. Furthermore, maintaining the existing residential categories is important for ensuring compatibility between the new and existing housing.

## 2. Zoning Districts

The City's Zoning Code establishes the following zone districts that permit residential uses:

- **Residential Suburban District (R-S)** – A residential living area within the city which allows low residential densities and provides a transition to rural areas which adjoin portions of the city.
- **Single-Family Residence District (R-1)** – The purpose of the R-1 district is to stabilize and protect the residential characteristics of the district, and to promote and encourage a suitable environment for family life and single persons; and intended for single-family detached dwellings and the services appurtenant thereto.
- **Multiple Residence – Low-Density District (R-L)** – The purpose of the R-L district is to promote the development of multifamily townhouses, condominiums and apartments at a low to medium density of 10.1 to twenty-seven units per acre, depending on unit mix; to stabilize and protect the residential characteristics of the district and to promote and encourage a suitable environment for the lives of families and single persons.
- **Multiple Residence – Medium-Density District (R-M)** – The purpose of the R-M district is to promote the development of multifamily townhouses, condominiums and apartments at a medium residential density of 20.1 to forty units per acre depending on unit mix; to stabilize and protect the residential characteristics of the district; and to promote a suitable environment for the lives of families and single persons.
- **Multiple Residence – High-Density District (R-H)** – The purpose of the R-H district is to promote the development of multifamily apartments, townhouses and condominiums at a high residential density of 30.1 to fifty-five units per acre in order to increase the supply of affordable and rental housing and provide new market rate infill housing opportunities. This district provides a suitable environment for higher density households.
- **Tourist Residential District (R-T)** – The purpose of the R-T district is to establish a zoning district to accommodate a mix of residential, motel, and commercial land uses and to preserve historical buildings and trees within the district. Recognizing this variety of land uses and the desire to utilize existing land uses, the R-T district is divided into five subdistricts: Medium-Density Residential, Motel Residential, Beach Commercial, Beach Residential, and High/Medium Density Residential. Each subdistrict is designed to ensure compatibility of uses, upgrade the area by ensuring a high quality of new developments, and promote a suitable environment for residential and tourist-oriented uses.
- **R-T(A) Subdistrict A (Medium-Density District)** – The purpose of Subdistrict A is to establish standards for medium-density residential uses which promote and protect the residential

characteristics of the subdistrict and provide a suitable environment for its residents. To preserve the architectural and historic character of this subdistrict, all new development will be reviewed to ensure high-quality design compatible with surrounding residential uses, in compliance with the Design Guidelines of the Beach and South of Laurel Comprehensive Area Plan.<sup>1</sup>

- **R-T(B) Subdistrict B (Motel Residential)** – The purpose of Subdistrict B is to establish and control uses to ensure a compatible mixture of uses addressing the needs of residents and tourists. Dominant uses contemplated are motel and medium-density residential uses. To encourage development, which is attractive to both permanent residents and tourists, emphasis will be placed on compatibility of design, landscaping, and a comprehensive review of site planning in compliance with the Design Guidelines of the Beach and South of Laurel Comprehensive Area Plan.
- **R-T(B)/PER (Motel Residential Performance District)** – The purpose of the Motel Residential Performance Overlay district is to establish and control uses to ensure development which protects neighborhood integrity while supporting appropriate uses. The goal of the RTB/PER District is to limit the future development of hotel or motel rooms in the district, but to allow ancillary hotel support facilities as well as additional residential development.
- **R-T(C) Subdistrict C (Beach Commercial)** – The purpose of the R-T(C) Subdistrict is to establish standards for development of residential uses mixed with neighborhood commercial, motel, and regional tourist commercial use. These standards are designed both to improve existing uses and encourage new developments in a manner that maintains a harmonious balance between residential and regional commercial uses. It is the intent of this zoning that preservation of La Bahia be conducted in accordance with the measures described in the certified final Environmental Impact Report for the Beach and South of Laurel Comprehensive Area Plan.
- **R-T(D) Subdistrict D (Beach Residential)** – The purpose of Subdistrict D is to conserve, protect and enhance the beach residential character of the subdistrict and provide a suitable environment for residents. To preserve the small scale and enhance the historic beach cottage character of this subdistrict, and to ensure that new residential land uses are compatible, permanent and of a high quality, all new development will be reviewed in compliance with the Beach Flats Design Guidelines of the Beach and South of Laurel Comprehensive Area Plan and the Conservation Neighborhood Overlay requirements.
- **R-T(E) Subdistrict E (Beach Medium/High Residential)** – The purpose of Subdistrict E is to encourage quality medium and/or high density multifamily residential uses in a manner which promotes excellence in building design, provides for family-oriented development, ensures compatibility with the adjacent conservation overlay zone, and limits the need for parking by encouraging use of alternative means of transportation, including the multi-modal center proposed for the depot site. All new development will be reviewed in compliance with the Beach Flats Design Guidelines of the Beach and South of Laurel Comprehensive Area Plan.

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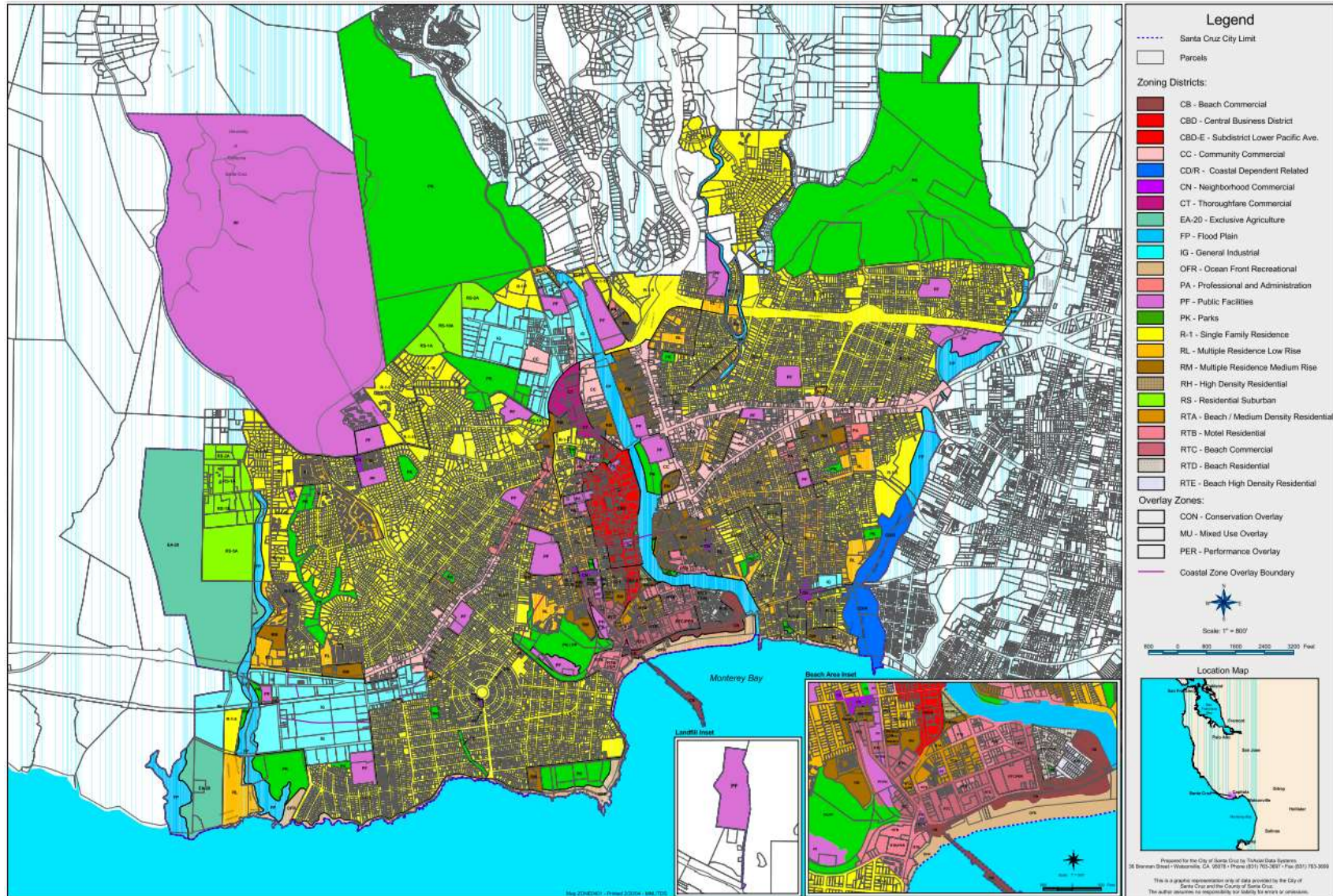
<sup>1</sup> See Section C.4 of this Appendix E for more information on the Beach and South of Laurel Area Plan.

- **Community Commercial District (C-C)** – The purpose of the C-C district is to provide locations throughout the community for a variety of commercial and service uses for residents of the city and the region which promote the policies of the General Plan; to encourage a harmonious mixture of a wide variety of commercial and residential activities including limited industrial uses, if they are compatible and nuisance free.
- **Mixed-Use High-Density District (MU-H)** – The purpose of the MU-H district is to promote the development of a harmonious mixture of a wide variety of commercial activities that stabilize and protect the commercial characteristics of the district while also supporting a walkable, dynamic, and efficient environment for residents, businesses, and workers. Development could include limited industrial uses, if they are compatible and nuisance free in conjunction with condominiums and apartments.
- **Mixed-Use Visitor-Serving High-Density District (MU-VH)** – The purpose of the MU-VH district is to encourage high-quality visitor-serving commercial development along Ocean Street and parts of Soquel Avenue, particularly hotels and motels, while accommodating other multi-story commercial development and supporting high-density housing within mixed-use developments that promote a vibrant and pedestrian oriented environment for residents, workers and visitors consistent with the Ocean Street area plan.
- **Mixed-Use Visitor-Serving Additional Height District (MU-VA)** – The purpose of the MU-VA District is to encourage high-quality visitor-serving commercial development as well as high-intensity residential mixed-use development along Ocean Street, Soquel Avenue, and adjacent thoroughfares, particularly hotels and motels, while accommodating other multi-story commercial development in both exclusively commercial and high-density mixed-use developments density within larger buildings oriented toward Ocean Street and Soquel Avenue, and using building height and massing to create a sense of place that promotes a vibrant and pedestrian oriented environment for residents, workers and visitors consistent with the Ocean Street area plan.
- **Thoroughfare Commercial District (C-T)** – The purpose of the C-T district is to provide for retail, commercial, service, amusement, and transient-residential uses which are appropriate to thoroughfare location and dependent upon thoroughfare travel.
- **Neighborhood Commercial District (C-N)** – The purpose of the C-N district is to provide commercial and service uses near residential areas for the convenience of local residents. Uses aimed at nearby customers may not require typical development standards such as vehicular parking.
- **Beach Commercial District (C-B)** – The purpose of the C-B district is to provide for commercial uses which are primarily coastal-dependent in nature and which serve tourists and visitors to the Santa Cruz coastal recreational areas. Also, to provide commodities and services to residents of such areas.
- **Professional and Administrative Office District P-A** – The purpose of the P-A district is to provide a district for business and professional offices.
- **General Industrial District I-G** – The purpose of the P-A district is to encourage sound industrial development by providing and protecting an environment for such development, subject to regulations necessary to ensure the purity of the land, air, and waters in Santa Cruz County, and the protection of nearby residential, commercial, and industrial uses of the land from hazards, noise, and other disturbances.



- **General Industrial District/Performance District (I-G/PER 2)** – The purpose of this General Industrial Performance District is to modify the normal general industrial land use classifications to provide for and encourage appropriate uses for economic development of the Westside industrial lands.
- **Public Facilities District (PF)** – The purpose of the Public Facilities (PF) District is to designate public buildings and facilities and to ensure that there is a compatible relationship between such uses and the surrounding area. Emergency shelters are principally permitted in the PF district.
- **Exclusive Agricultural District (E-A)** – The purpose of the E-A District is to preserve in agricultural use land presently best suited to that use and intended for eventual development in other uses pending proper timing for the economical provision of utilities, major streets, and other facilities, so that orderly development will occur.
- **Floodplain District (F-P)** – The purpose and intent of the Floodplain District is to protect the public health, safety, and welfare through regulations of uses in areas which are unprotected from flooding or are required to carry the flood flows of a stream. New construction in the Floodplain District is regulated so that it is protected against damage and located to avoid causing excessive increases in flood heights or velocities. Ranch and farm dwellings incidental to a principal agricultural use require approval of an administrative use permit and a design permit.
- **CBD(E) CBD Subdistrict E (Lower Pacific Avenue)** – The purpose of the Lower Pacific Avenue Subdistrict Zone is to encourage the development/redevelopment of the Lower Pacific corridor between Laurel and Front Streets as an important linkage between the Downtown and the Beach. Its intent is to extend the commercial and mixed-use developments of the Downtown along Lower Pacific Avenue in a manner that is compatible with and linked to the regional tourist serving uses of the Beach.

Figure E-5: City of Santa Cruz Zoning Map



### 3. Overlay Districts

An overlay district is a regulatory tool that adds special provisions and regulations to an area in the City. An overlay district may be added to a neighborhood or corridor on a map, or it may apply to the City as whole and be applied under certain circumstances. An overlay district may be initiated as a Zoning Map amendment. All proposed developments within the overlay district must comply with the district's applicable development standards in addition to the Zoning Code standards. Overlay Districts may be a constraint to the development of housing when they set standards which are more restrictive than the Zoning Code. Below are overlay districts present in Santa Cruz.

- **R-T(C)/PER Subdistrict C (Beach Commercial/Performance Overlay District)** – The purpose of the Beach Commercial Performance Overlay Zone is to identify areas of critical public interest in the Beach Commercial Area, and to provide regulations and standards necessary to achieve planning goals for development and/or redevelopment in a manner which protects neighborhood integrity while stimulating appropriate economic development. The goal of RTC/PER is to promote the General Plan policy for the development of regional visitor serving uses in the Beach Area while accomplishing the directives of the adopted Beach and South of Laurel Comprehensive Area Plan. The Beach Commercial Performance Overlay zone establishes the requirement that a master plan for the entire 7.5 acre site developed under the Planned Development process before any new buildings are constructed on the site.
- **General Industrial District/Performance Overlay Zone (I-G/PER)** – The purpose of the Industrial General Performance Overlay Zone is to identify areas with unique site constraints in the city's industrial areas and to provide the regulations necessary to allow their development and/or redevelopment in a manner which responds to the site's constraints while stimulating appropriate economic development.
- **Historic Overlay District (H-O)** – The purpose of this Historic Overlay District is to provide a means to preserve and enhance areas of historic, architectural, and engineering significance located within the city of Santa Cruz.
- **Coastal Zone Overlay District (CZ-O)** – The Coastal Zone District is an Overlay Zone, the boundaries of which are determined by the California Coastal Act of 1976. The purpose of the Coastal Zone is to provide a means of carrying out the policies of the Coastal Act and the city's Local Coastal Land Use Plan. Within the Coastal Zone is an area which requires further, special consideration. The SP-O Shoreline Protection Overlay District is a subdistrict of the Coastal Zone Overlay, immediately adjacent to the ocean where certain Coastal Act policies are particularly significant and require special review.
- **Mixed Use Overlay District (MX)** – The purpose of the Mixed Use Overlay District is to promote the General Plan policy for mixed use and live work development opportunities within the city, by establishing an overlay zone that may be applied to multifamily residential districts that are located on arterial streets or in areas appropriate for mixed use developments.
- **Neighborhood Conservation Overlay District (CON)** – The purpose of the Neighborhood Conservation Overlay District is to conserve and enhance the residential quality of life within designated neighborhoods; to stimulate maintenance and reinvestment in



structures consistent with design guidelines; to facilitate homeownership; and to ensure compatible development along district boundaries.

- **West Cliff Drive Overlay District (WCD)** – The purpose of the West Cliff Drive Overlay District is to promote quality residential development on and adjacent to West Cliff Drive that positively enhances the public space along West Cliff Drive. The West Cliff Drive Overlay District will preserve, protect and enhance West Cliff Drive as an important social and environmental city and community space; reinforce the residential neighborhood character of the north side of West Cliff Drive; preserve the public view toward the ocean from streets which intersect with West Cliff Drive; and enhance the streetscape by requiring landscaping and modulation of building forms on buildings facing West Cliff Drive.
- **Mission Street Urban Design Plan Overlay District (MS-O)** – The purpose of the Mission Street Urban Design Overlay District is to regulate future development within the Mission Street commercial district. The goal of the overlay district is to enhance the pedestrian environment while providing for long-term revitalization of the corridor. The intent is to create a corridor that is safe, attractive, economically and socially vibrant which in turn will improve the quality of life for Westside residents.

## 4. Area Plans and Master Plans

### Beach and South of Laurel Area Plan

The Beach and South of Laurel Area Plan was adopted in October 1998 to protect the physical and historical assets of the area and plan for future development in a manner that enhances the existing neighborhoods and promotes successful mixing of business with pleasure and natural resources with structures and events.

The Area Plan provides additional regulations which, in 1998, went beyond the City's review oversight for development. For example, according to the Plan, the zoning of the time did not provide for design review of duplexes or single-family residences on standard lots. As such, the Plan requires a Design Permit in the Beach/SOLA (South of Laurel Area) Planning Area for all residential, commercial, industrial, or mixed-use building additions exceeding 15 percent of the existing floor area; any addition to the front of a building that is visible from a public right-of-way; and any new residential unit(s). The Plan specifies that new single-family units and additions only require a Design Permit with no public hearing, but most other development projects will require a Design Permit with Zoning Administrator review. The following details the principal land use applications that are applicable to the planning area:

- **Conceptual Plan Review** – Consists of an inter-departmental review and preparation of staff comments. This review allows an applicant to receive early comments and recommendations before committing financial resources to the project. The City recommends all major projects receive a Conceptual Plan Review before a Design Permit application is filed. The review process takes approximately three to five weeks for comments to be received.
- **Design Permit** – This is the primary land use permit required for most development projects in the Beach/SOLA. A Design Permit may be required for a principally-permitted or conditionally-permitted use and can be processed concurrently with other land use



applications. The objective of the Design Permit is to promote the public health, safety, and general welfare through the review of architectural and site development proposals. The total processing time for the application depends on the complexity of the projects but generally takes about six to eight weeks to process. To approve a Design Permit, the Zoning Ordinance requires findings of consistency with the objectives of the Area Plan listed below, as well as the General Plan and general findings of the Zoning Ordinance<sup>2</sup>:

1. Create a strong sense of place, with edges that have a beginning and an end, and with gateways and intimate residential streets clearly defined.
2. Create a sequence of experiences and views in the landscape that lead to destination points.
3. Enhance entryways to neighborhoods at definable intersections.
4. Encourage distinctive architectural treatment at major intersections to accentuate community gateways.
5. Strengthen the residential quality and character of neighborhoods by improving the appearance of architecture and landscaping.
6. Protect and enhance the unique historic and architectural qualities which are present by establishing historic conservation districts.
7. Maintain the heritage tree preservation program and use the existing heritage trees as a basis for streetscape design.
8. Protect historic resources such as rock walls and stairs. Use existing historic resources as a basis for streetscape design.
9. Expand the economic vitality of Downtown by transforming Beach Street into a “signature street” which will complement and complete the revitalized Pacific Avenue “signature” shopping district. Link these commercial areas.
10. Implement traffic calming measures, such as textured paving and chokers, in Conservation Areas.
11. Implement hierarchical streetscape design that promotes identification of streets as thoroughfares and residential streets. Use a consistent landscape design theme to create “imageable paths” through the community, such as palm tree lined streets which lead to the beach.
12. Implement a street tree program to give scale and definition to the public walkways and promote a visually attractive, comfortable street with reduced heat and glare.
13. Balance the needs of automobiles, pedestrians and bicyclists with wide sidewalks for promenading and pedestrian-oriented activities; narrow roadways to slow traffic; continuous bicycle routes; ample, accessible, at-grade pedestrian crossings or ramps with appropriately textured surfaces; and curbside parking, bike lanes or landscaped parkways to separate pedestrians and moving cars.
14. Provide unobstructed access to all citizens, in compliance with Uniform Federal Accessibility Standards and State Title 24 Accessibility requirements.

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<sup>2</sup> See Section C.12 of this Appendix E for a list of the Zoning Ordinance’s required findings for Design Permit applications.

15. Provide public amenities such as benches, planters, lighting, street name and traffic sign posts, trash receptacles, public rest rooms, bicycle racks, public telephones and information kiosks that are functionally and aesthetically integrated into the streetscape for pedestrian comfort, convenience and safety.
16. Improve the pedestrian connection to Downtown by upgrading and maintaining the two existing pedestrian stairways.
17. Provide public art for aesthetics and contemplation.
18. Underground utilities to eliminate visual clutter and provide a more aesthetic streetscape.
19. Implement an area-wide sign program to eliminate visual clutter of oversized and inappropriate signs.

The Design Permit review is applied similarly to a typically development review application; a proposed development is reviewed for consistency with the objectives of the Area Plan. While the plan may require applicants to revise architectural features to create consistency with the objectives of the Area Plan, the changes typically do not increase the cost and timing of approval. While potential changes typically do not increase the cost and timing of approval, they may affect approval certainty as the findings of consistency with the objectives of the Area Plan listed above may be considered subjective, creating uncertainty for applicants proposing housing in the area. The City has added Policy Program 1.2b to mitigate potential constraints and improve approval certainty for housing development proposals in the planning area.

- **Coastal Permit** – The entire Beach Area/SOLA planning area is located within the Coastal Zone; the Zoning Ordinance specifies the types of developments which require a Coastal Permit.
- **Other Permit Types** – Other land use permits which may apply depending on the proposed development project include: Administrative Use Permit, Variance, Conditional Fence Permit, Historic Alteration, Residential Demolition/Authorization, Special Use Permit, Historic Demolition, Reconstruction Permit.

While the Design Permit approval findings include subjective language, the City follows the adopted Objective Standards over the requirements of the Area Plan. Policy Objective 1.2b in the Policy Plan further specifies that the Objective Standards take precedence. As such, it is not considered a constraint to residential development.

## Downtown Plan

The Downtown Plan was originally adopted as the Downtown Recovery Plan in 1991 and a significant update to the Plan was adopted by City Council on November 14, 2017 and by the California Coastal Commission on March 8, 2018. This update included increasing development height allowances and these changes accelerated development, especially housing production. The Downtown Plan was further amended through January 28, 2020, and is currently in the process of being updated to expand the boundary of the Downtown Plan. The intent of the Downtown Plan is to revitalize and strengthen the Downtown District while extending the residential pattern of surrounding residential neighborhoods to the downtown to make downtown

Santa Cruz a place of commerce, culture, and recreation. The Downtown Plan encourages residential development as a second floor and above use throughout the downtown area. One of the primary principles of the Downtown Plan is to strengthen Downtown Santa Cruz as a place to live. This includes market-rate and affordable housing.

In the 2020 amendment, the Downtown Plan supports the following housing policies established by Vision Santa Cruz: a mix of housing should be developed to serve a range of needs and income groups, the City's current 15 percent affordability should be maintained, numeric goals for housing should be established for types, market served, and locations, specific locations should be evaluated for housing potential, housing in the downtown should be well-designed, well-maintained, and well-managed to fit into the new downtown fabric, and reconstructed post-Loma Prieta earthquake SRO housing should be retained.

The Downtown Plan provides additional development standards and design guidelines for new development in the plan area. All new construction in all central business districts of the downtown Santa Cruz area shall require approval of a Design Permit, regardless of type of use. The central business districts are: Pacific Avenue Retail, Front Street Riverfront, Cedar Street Village, and North Pacific. On top of the Design Permit, the following uses require an Administrative Use Permit (AUP) to be considered for ground level use: community care residential facility (Cedar Street Village), multiple dwellings, townhouses, one-family and two-family dwellings, single room occupancy housing, large family day care homes, and supportive and transitional housing. However, the Downtown Plan is currently being updated as the "Downtown Expansion Plan" which may require different standards once adopted.

## **Mission Street Urban Design Plan**

The Mission Street Urban Design Plan corridor area is one of the most heavily traveled corridors in Santa Cruz due to its primary connections to local residential and commercial traffic, State Highway 1, and the University of California, Santa Cruz. The intent of the Mission Street Urban Design Plan is to promote a safe, attractive, and both economically and socially vibrant commercial corridor that serves both residents in surrounding neighborhoods and travelers passing through the area. Uses under the City's Community Commercial (C-C) district are mostly permitted in the Mission Street corridor. However, ground-floor residential uses are not recommended to be permitted. All principal permitted and use permit required uses shall be those of the underlying zone. New development and remodels with a cost of more than \$10,000 must be consistent with the Development Standards and Design Guidelines found in the Mission Street Urban Design Plan and require approval of a Design Permit.

## **Ocean Street Area Plan**

The Ocean Street Area Plan covers the 1.2-mile-long north-south corridor of Ocean Street from Highway 17 to San Lorenzo River. The intent of the Area Plan is to create an "activity center" that includes mixed-use development along the major corridor. North of Water Street will provide space for hotels, motels, and mixed-use buildings, while south of Soquel Avenue will feature mixed-use buildings that provide new places to live and new retail stores that benefit neighborhood residents. Areas along the corridor are zoned as Regional Visitor Commercial,

Mixed-Use Medium Density, Mixed-Use Visitor Commercial, Community Facilities, Low-Medium Density Residential, and Medium-Density Residential.

Most of the Ocean Street Plan Area is within Santa Cruz's coastal zone, and some projects in this zone require a Coastal Permit. Residential uses, such as community care facilities for seven or more persons, dormitories, daycares, nursing homes, and retirement homes require an Administrative Use Permit. A Design Permit is required for multiple dwellings and dwelling groups containing three or more dwelling units, and single-family homes over 4,000 square feet in the R-1-10 zone, 3,500 square feet in the R-1-7 zone, and 3,000 square feet in R-1-5 zone. Residential units are not allowed to be located on any Ocean Street frontage but may be located on the ground floor of mixed-use buildings or on the ground floor of residential buildings on sites where a commercial or mixed-use building occupies the street frontage.

## Seabright Area Plan

The Seabright Area Plan was adopted in September 1981 to preserve the small-scale residential character of the area through time, diminish the deleterious impacts of tourism in the immediate neighborhood, and provide policies and programs to guide future development within the Seabright area. The Area Plan was a response to protect the existing neighborhood from additional tourism and traffic impacts from the Santa Cruz Yacht Harbor that opened in 1964. The Area Plan adhered to the General Plan land use designation rather than the existing zoning of mainly single-family residential, allowing for duplex, triplex, and other structures that contain four or more dwelling units. However, the majority of the land in the Plan Area is single-family residential.

### Western Drive Master Plan

The Western Drive Master Plan's three main goals are to improve the Western Drive right-of-way, retain the rural character of the area, and protect Moore Creek and Arroyo Seco Canyons while providing public access. The Master Plan aimed to add onto the 1990 General Plan and recommends the City to investigate design alternatives to satisfy the requirements of the Municipal Code while also allowing greater flexibility in site design and to avoid flag lot development.

## City-Wide Creeks and Wetlands Management Plan

The City-wide Creeks and Wetlands Management Plan was adopted on February 28, 2006 to better protect, enhance, and manage the City's riparian and wetland resources and water quality. The Management Plan provides recommendations to locate development away from sensitive watercourse areas and for implementation measures to enable urban and natural areas to co-exist. Long-term goals aim to reduce and/or eliminate pollutants discharged to aquatic bodies, improve water quality, improve and restore natural habitat, increase biodiversity, lower water temperatures, and increase public awareness of the value of watershed quality.

The Management Plan categorizes each creek into three types (A, B or C) based on the integrity level of the creek habitat and provides specific setback requirements that include a management area, riparian corridor, and development setback. Due to the specific setback and category regulations, a watercourse development permit may be required depending on the location and



type of new development. Development must meet watercourse development standards intended to protect water quality and riparian habitat.

## **Eastside Business Area Improvement Plan**

The Eastside Business Improvement Plan was adopted in January 1996 to explore opportunities to ensure economic growth, potential, and improvements for the Eastside Business Area. The Plan lays out design guidelines, architectural guidelines, and implementation programs. The Plan divides the area into different zones that have varying development guidelines depending on the focus on each zone. For example, development in the Eastern Entry Zone requires additional landscaping along streetscapes.

Development located in the East Soquel Zone focuses on architecture and low screens to define the roadway as well as using a palette of streetscape elements (walls, plantings, banner system, and lighting patterns) to highlight the auto-related use of the area at the time while retaining a pedestrian-scale ambiance. The Triangle Zone focuses on street and sidewalk widths, such as having the sidewalk a minimum of 10 feet in front of retail stores. The Central Zone focuses on providing safe pedestrian and bicycle circulation and upgrading the architecture and streetscape image along Water Street and Soquel Avenue edge. The Water Street Entry zone focuses on locating parking areas to the rear of parcels and high density uses while also protecting the existing natural vegetation, creek, and cliff of the area. The Water Street Entry Zone includes high density residential, restaurants, and medical or garden offices and avoids uses with high parking requirements. The Main Street West Soquel Avenue focuses on creating a pedestrian-oriented experience by providing adequate off-street parking and pedestrian-conscious streetscapes and walkways. The Main Street at Seabright Prototype focuses on creating seating areas, alcoves in building entries, pedestrian connections, and thematic low walls in front of parking areas. The Main Street at Shopper's Corner focuses on preserving and enhancing pedestrian vitality by providing street plantings, rear parking areas, landscaping between parking and sidewalk areas, and consolidated parking areas with cross easements.

## **Moore Creek Corridor Access and Management Plan**

The Moore Creek Corridor Access and Management Plan was created to protect the unique natural area of Moore Creek while also making it more accessible to passive recreational uses. The goal is to provide public access in a manner that is compatible with the needs of private property, existing development, and within the constraints of the watershed's natural setting. Policies and programs aim for new development to not disturb the natural setting, such as development on the bluff tops above Moore Creek or its tributaries are to be set back so that development will not be visible from the creek bed.

Development in the Moore Creek Corridor Plan Area must maintain all post-project runoff at pre-project levels through retention or detention basins with controlled releases in order to regulate stormwater discharge into Moore Creek and its tributaries. All new projects will require the installation of erosion control and grading plans. Plans will require that all exposed slopes to be revegetated immediately after grading activities through the installation of permanent vegetation and other erosion control measures. Programs require that land is developed in increments of workable size that can be completed in a single construction season. All earth-moving activities

between December 1<sup>st</sup> and March 1<sup>st</sup> is prohibited. In addition, grading activities shall not begin after September 1<sup>st</sup> unless grading and plantings are expected to be completed by December 1<sup>st</sup>. The Plan prohibits grading, vegetation, removal, construction of structures or alternations of the existing contours within twenty feet of any 30% slope. Specific building envelopes shall be designated on all plans submitted for permit processing.

## **5. Local Coastal Program and Land Use Plan**

The Local Coastal Program (LCP) is a coastal management plan that contains land use, development, public access, and resource protection policies and regulations to implement the California Coastal Act (Coastal Act). The LCP is comprised of a Land Use Plan (LUP) and an Implementation Plan (IP). The LUP serves in conjunction with, and is considered a legislative equivalent to, the City's General Plan Land Use Element to identify land uses in the Coastal Zone. The intent of this plan is to provide for land uses and residential density limits that protect coastal resources and public access. The LUP uses the same land use categories and densities as the Land Use Element land uses listed above.

The Coastal Act is administered by the California Coastal Commission. The City of Santa Cruz encompasses roughly 12.7 square miles, of which approximately 3.6 square miles are located within the Coastal Zone and subject to oversight by the California Coastal Commission. Although the City retains permit authority in most of the Coastal Zone, development projects located within the Coastal Zone require the processing of Coastal Development Permits and are subject to appeal by the California Coastal Commission. This additional level of review and approval may extend the review period of development projects and increase the application and discretionary review costs. In addition, any request to increase residential densities or allow new residential housing opportunities requires the processing of a Local Coastal Program amendment through the California Coastal Commission. The Coastal Land Use Plan and Coastal Commission's additional review may inhibit development due to the added review time and costs, and uncertainty of approvals; however, this is universal for all coastal communities.

### **Housing in the Coastal Zone**

The City of Santa Cruz uses Sections 24.08.1310 through 24.08.1380 (Residential Demolition/Conversion Authorization Permits) of the Municipal Code to implement Government Code Section 65590 et seq. regarding demolition of residential units within the Coastal Zone and provision of replacement units for displaced low or moderate income households. Between January 1, 1982, and August 11, 2023, approximately 2,567 new residential units were permitted for construction within the Coastal Zone, based on a permit record search. There are 2,267 restricted affordable units within the City, which is entirely in or within three miles of the Coastal Zone. Of the total affordable units, 791 are located within the Coastal Zone. Since January 1, 1982, the City issued demolition permits for a total of approximately 364 residential units within the Coastal Zone, based on a permit records search, resulting in a net increase of approximately 2,203 units. The vast majority of units demolished were single-family homes being replaced by new single-family homes on the same site and were exempt from replacement housing requirements for moderate and low income households. The following projects included demolition of more than two units and required replacement housing for low and moderate income tenants:

**Table E-3: Housing in the Coastal Zone**

Address	Date project approved	# new units constructed	Units demolished	# displaced low/moderate income households	# low/moderate replacement units constructed	Location of replacement units
215 Beach St	8/13/14	0 (new hotel on site)	44	5	5	401 Pacific Ave (In coastal zone)
132 Clay St	9/27/2005	16 on site	6	Unknown*	2	On site
314 Jessie St	1/12/2022	50 on site	14	13	13	On site
136 Leibrandt Ave	11/13/2001	48 on site	47	47	47	124-136 Leibrandt Ave, 505 Leibrandt Ave, 155 Chestnut St (all in Coastal Zone)
716 Seabright Ave	2/22/2005, 5/26/2015	11 on site	3	Unknown*	0**	n/a
916 Seabright Ave	9/22/2020	9 on site	3	2	2	On site
890 West Cliff DR	4/21/2010	18 on site	18	n/a***	n/a	n/a (18 total units reconstructed on site)

\*Required by code and conditioned to be implemented. Permit record showed number of affordable units constructed but not number demolished; the number of required inclusionary units resulted the same or more affordable units than those required for replacement units.

\*\*units were demolished and in-lieu fees were paid as allowed by code but approved 12-unit project was not constructed. A new project was approved on the site in 2015 that constructed 11 units.

\*\*\*Building deemed unsafe and was required to be demolished; therefore project was exempt from replacement requirements. New building included 18 units, replacing all demolished units.

## 6. Variety of Houses Permitted

Housing Element Law requires jurisdictions to identify sites to be made available through zoning and development standards to facilitate development of a variety of housing types for all socioeconomic levels of the population. Housing types include single-unit dwellings, multi-unit housing, accessory dwelling units, factory-built housing, mobile homes, employee and agricultural work housing, transitional and supportive housing, single-room occupancy units (SROs), and housing for persons with disabilities. [Tables E-3a](#) and [E-3b](#) show the various housing types permitted throughout the City of Santa Cruz in zoning districts which permit housing or care facility uses. The City is in compliance with all transparency requirements and all zoning information, development standards, and fees are available on the City's website and at the Planning Department Counter.

**Table E-3a: Permitted Housing Types by Residential Zoning District**

Housing Type	Residential Zones									
	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)
Single-Unit Dwellings – Attached	P	P	P	P	P	AUP	P	P	P	AUP
Single-Unit Dwellings – Detached	P	P	P	AUP	P	AUP	P	P	P	AUP
Multi-Unit Dwellings	--	--	P	P	P	P	P	P	P	P
Two-Unit Dwellings	--	P	P	AUP	AUP	P	P	P	P	P
Accessory Dwelling Unit(s)	P	P	P	P	P	P	P	P	P	P
Junior Accessory Dwelling Unit(s)	P	P	P	P	P	P	P	P	P	P
Home Occupation	P	P	P	P	P	--	--	--	--	--
Live-Work Units	--	--	--	--	--	--	--	--	--	--
Short-Term Lodging	SUP	SUP	SUP	SUP	SUP	SUP	SUP	P	SUP	--
Residential Care Facilities – Limited (6 or fewer) Licensed	P	P	P	P	P	P	P	--	AUP	AUP
Residential Care Facilities – Limited (6 or fewer) Unlicensed	P	P	P	P	P	P	P	--	AUP	AUP
Residential Care Facilities – General (7 or More) Licensed	SUP	AUP	SUP	SUP	SUP	SUP	SUP	--	SUP	AUP
Residential Care Facilities – General (7 or More) Unlicensed	SUP	SUP	SUP	SUP	SUP	SUP	SUP	--	SUP	AUP
Retirement Home	SUP	SUP	P	SUP	SUP	SUP	SUP	--	SUP	AUP
Farmworker Housing	--	--	--	--	--	--	--	--	--	--
Supportive Housing	P	P	P	P	P	SUP	SUP	SUP	P	--
Transitional Housing	P	P	P	P	P	SUP	SUP	SUP	P	--
Emergency Shelters	--	--	--	--	--	--	--	--	--	--
Mobile homes	P	P	P	P	P	--	P	P	P	--
Low Barrier Navigation Centers	--	--	--	--	--	--	--	--	--	--
SRO Residential	--	--	P	P	P	P	P	P	--	AUP

AUP – Administrative Use Permit

SUP – Special Use Permit

P – Permitted by Right

A – Allowed

--" – Not Permitted



**Table E-3b: Permitted Housing Types by Mixed-Use Zoning District**

Housing Type	Mixed-Use Zones					
	MU-M	MU-OM	MU-OH	MU-H	MU-VH	MU-VA
Single-Unit Dwellings – Attached	---	---	---	---	---	---
Single-Unit Dwellings – Detached	---	---	---	---	---	---
Multi-Unit Dwellings	P	P	P	P	P	P
Two-Unit Dwellings	AUP	---	---	AUP	---	---
Accessory Dwelling Unit(s)	P	P	P	P	P	P
Junior Accessory Dwelling Unit(s)	P	P	P	P	P	P
Home Occupation	P	P	P	P	P	P
Live-Work Units	---	---	---	---	---	---
Short-Term Lodging	AUP	P	---	---	---	---
Residential Care Facilities – Limited (6 or fewer) Licensed	P	P	P	P	P	P
Residential Care Facilities – Limited (6 or fewer) Unlicensed	P	P	P	P	P	P
Residential Care Facilities – General (7 or More) Licensed	SUP	SUP	SUP	SUP	SUP	SUP
Residential Care Facilities – General (7 or More) Unlicensed	SUP	SUP	SUP	SUP	SUP	SUP
Retirement Home	P/	---	---	SUP	SUP	SUP
Farmworker Housing	---	---	---	---	---	---
Supportive Housing	P	P	P	P	P	P
Transitional Housing	P	P	P	P	P	P
Emergency Shelters	---	---	---	---	---	---
Mobile homes	---	---	---	---	---	---
Low Barrier Navigation Centers	---	---	---	---	---	---
SRO Residential	P	P	P	P	P	P
<i>AUP – Administrative Use Permit</i> <i>SUP – Special Use Permit</i> <i>P – Permitted by Right</i> <i>A – Allowed</i> <i>“--” – Not Permitted</i>						

**Table E-3c: Permitted Housing Types by Non-Residential Zoning District**

Housing Types	Non-Residential Zones										
	C-C	C-T	C-N	C-B	P-A	I-G	I-G/PER2	PF	E-A	F-P	CBD(E)
Single-Unit Dwellings – Attached	P	AUP	P	P	P	--	--	--	--	--	--
Single-Unit Dwellings – Detached	--	AUP	--	--	AUP	--	--	--	P	--	--
Multi-Unit Dwellings	P	P	P	P	P	SUP	SUP	--	--	--	--
Two-Unit Dwellings	--	AUP	P	P	P	--	--	--	--	--	--
Accessory Dwelling Unit(s)	P	P	P	P	--	--	--	--	P	--	--
Junior Accessory Dwelling Unit(s)	P	P	P	P	--	--	--	--	P	--	--
Home Occupation	--	--	--	--	--	--	--	--	--	--	--
Live-Work Units	--	--	--	--	--	--	--	--	--	--	--
Short-Term Lodging	AUP	P	--	--	--	--	--	--	P	--	--
Residential Care Facilities – Limited (6 or fewer) Licensed	P	AUP	AUP	--	SUP	--	--	--	--	--	P
Residential Care Facilities – Limited (6 or fewer) Unlicensed	P	AUP	AUP	--	SUP	--	--	--	SUP	--	P
Residential Care Facilities – General (7 or More) Licensed	SUP	--	SUP	--	SUP	--	--	--	SUP	--	SUP
Residential Care Facilities – General (7 or More) Unlicensed	SUP	--	SUP	--	SUP	--	--	--	SUP	--	SUP
Retirement Home	SUP	--	SUP	--	--	--	--	--	SUP	--	--
Farmworker Housing	--	--	--	--	--	--	--	--	P/SUP	AUP	--
Supportive Housing	--	--	--	--	--	--	--	--	--	--	--
Transitional Housing	--	--	--	--	--	--	--	--	--	--	--
Emergency Shelters	--	--	--	--	--	SUP	--	--	--	P	--
Mobile homes	--	--	--	--	AUP	--	--	--	--	--	--
Low Barrier Navigation Centers	--	--	--	--	--	--	--	--	--	--	--
SRO Residential	P	P	P	P	--	SUP	SUP	--	--	--	SUP
AUP – Administrative Use Permit SUP – Special Use Permit P – Permitted by Right A – Allowed											

## Single-Family Dwelling

A single-family dwelling is defined as a building which is designed or used exclusively as a residence (home occupations may be allowed), including only one dwelling unit, and may also contain one area meeting the standards of a junior accessory dwelling unit complying with Section 24.16.170 of the Municipal Code. A single-family dwelling is a building or portion of a building including one or more rooms which is/are designed or used as a residence by one family or housekeeping unit, with facilities for living, sleeping, eating, sanitation, and food preparation. A single-family dwelling shall have only one domestic food preparation facility, except that a single-family dwelling may also include one area meeting the standards of a junior accessory dwelling unit. A single-family dwelling shall have interior access between all habitable spaces, except that a junior accessory dwelling unit containing all facilities necessary for living, sleeping, eating, food preparation and sanitation need not maintain interior access to the remainder of the dwelling unit.

Single-family dwellings are permitted as a primary use in R-S, R-1, R-L, R-T(B), and R-T(D) zones and are allowed above commercial uses in C-C and C-N zones and in the R-T(C) zone for lots where the lot size does not allow multi-family development. Single-family dwellings are allowed with an administrative use permit in C-T, R-M, R-H, R-T(A), and R-T(E) zones.

## Multi-Family Dwelling

A multiple-family dwelling is defined as a building which is designed or used exclusively as a residence, including three or more separate dwelling units or any combination of dwelling unit types.

Multi-family dwellings are permitted as a primary use in R-L, R-M, R-H, R-T(A), R-T(B), R-T(C), R-T(D), AND R-T(E) zones. Multi-family dwellings are also permitted as the primary use in C-C, C-N, C-B, all the Mixed-Use and CDB Subdistrict E zones when located above the first floor of permitted commercial uses. Multi-family dwellings are allowed with an administrative use permit and a design permit in C-C, C-T, C-N, C-B, P-A, I-G, and IG/PER-2 zones.

## Accessory Dwelling Unit (ADU)

A dwelling unit accessory to a primary residential use on a parcel of land that meets the requirements of Chapter 24.16, Part 2. An accessory dwelling unit is defined as an attached or detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a parcel with a proposed or existing dwelling. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes an efficiency unit (as defined in Section 17958.1 of the California Health and Safety Code) and a manufactured home (as defined in Section 18007 of the California Health and Safety Code).

Accessory dwelling units are principally permitted in all zones that allow residential units as long as there is an existing or proposed residential unit. This is addressed in the Policy Plan to review and, as necessary, amend the ADU ordinance to comply with State law as State law is revised.

## Manufactured Home

Manufactured homes are defined as single-family housing units, that are certified under the National Mobile Home Construction and Safety Standards Act of 1974, and which are to be placed

on a foundation system, pursuant to Section 18551 of the Health and Safety Code or constructed in accordance with the appropriate Uniform Building Code, Plumbing Code, Electrical Code, etc., that has been adopted and is in effect within the City of Santa Cruz. Manufactured homes are allowed in any district that allows single-family homes. A mobile home is a factory built home constructed before July 1976, when the NMHCSSA went into effect. A mobile home may be located in any district where a single-family home is permitted if the mobile home receives a certificate of compatibility. Manufactured homes are allowed in any district that allows single-family homes.

## Residential Community Care Facility

A residential community care facility is any family home, group-care facility, or similar facility determined pursuant to state law, for twenty-four-hour nonmedical care of persons in need of personal service, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. A small residential community care facility is one which serves six or fewer persons while a large residential community care facility serves seven or more persons.

Small Residential Community Care Facilities are permitted as a primary use in R-S, R-1, R-L, R-M, R-H, R-T(A), RK-T(B), C-C, and CBD(E) zones. Small Community Care Residential Facilities are permitted with an administrative use permit and in R-T(D), R-T(E), C-T, and C-N, and with a special use permit in the P-A zone and all the Mixed-Use zones.

Large Residential Community Care Facilities are permitted with an administrative use permit in the R-1 and R-T(E) zones and with a special use permit in the R-S, R-L, R-M, R-H, R-T(A), R-T(B), R-T(D), all the Mixed-use zones, the C-C, C-N, P-A, E-A, and the CBD(E) zones. For these two permits, proposed projects would be subject to objective standards.

## Supportive Housing

Supportive Housing is defined as housing with no limit on length of stay, that is occupied by the target population as defined by State Housing Element Law, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Supportive housing is considered a residential use and is subject only to the restrictions and standards that apply to other residential dwellings of the same type (e.g., single-family residence(s) or multifamily development) in the same zone. Supportive housing is permitted as a primary use in R-S, R-1, R-L, R-M, R-H, R-T(D), and all Mixed-Use zones as a single-family home or duplex, R-T(C), R-T(D), and zones. Supportive Housing is allowed with a special use permit in the R-T(A), R-T(B), R-T(C), and R-T(D) zones as multifamily dwellings. [Policy Objective 3.4d](#) is included in the [Policy Plan](#) to continue facilitating 100 percent affordable supportive housing projects that comply with AB 2162.

## Transitional Housing

Transitional Housing is defined as buildings configured as rental housing developments but operated under program requirements that call for the termination of assistance or recirculation of the assisted unit to another eligible program recipient at some predetermined future point in



time, which shall be no less than six months. Transitional Housing is considered a residential use and is subject only to the restrictions and standards that apply to other residential dwellings of the same type (e.g., single-family residence(s) or multi-family development) in the same zone. Transitional Housing is permitted as a primary use in R-S, R-1, R-L, R-M, R-H, R-T(D), and all Mixed-Use zones as a single-family home or duplex, R-T(C), R-T(D), and zones. Transitional Housing is allowed with a special use permit in the R-T(A), R-T(B), R-T(C), and R-T(D) zones as multifamily dwellings.

## Emergency Shelter

An emergency shelter is defined as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. The City's Zoning Code states that an emergency shelter must meet the standards set forth in Section 24 Part 17 "Emergency Shelters" and must be approved ministerially and without discretionary review or a public hearing when proposed within a permitted zone. Applicants must submit a development application to construct an emergency shelter in the Public Facilities District (P-F) and are subject to objective development standards and management standards. All new construction must comply with the commercial and industrial land use regulations under Section 24.12.1620 Development Standards for Emergency Shelters in the City's Zoning Code. The emergency shelter requirements have been analyzed and determined to be objective, mitigating potential constraints to the development of emergency shelters in the City. While objective requirements have been established for emergency shelters, the City understands that State law evolves. Santa Cruz is committed to reviewing emergency shelter requirements periodically and making relevant amendments in response to changes in State law.

An amendment to the Public Facilities District (P-F) during the 5<sup>th</sup> cycle established emergency shelters as a permitted use within P-F zones. The Public Facilities District (P-F) also allows Farmworker Housing, in compliance with AB 2339. General Industrial District (I-G) also allows emergency shelters with a special use permit. The City's Zoning Code does not specify parking requirements for emergency shelters. This is included in the Policy Plan to update parking requirements to include parking requirements for emergency shelters in compliance with AB 139 and AB 2339, which states jurisdictions may only apply objective standards to proposed emergency shelters that provide sufficient parking to accommodate emergency shelter staff.

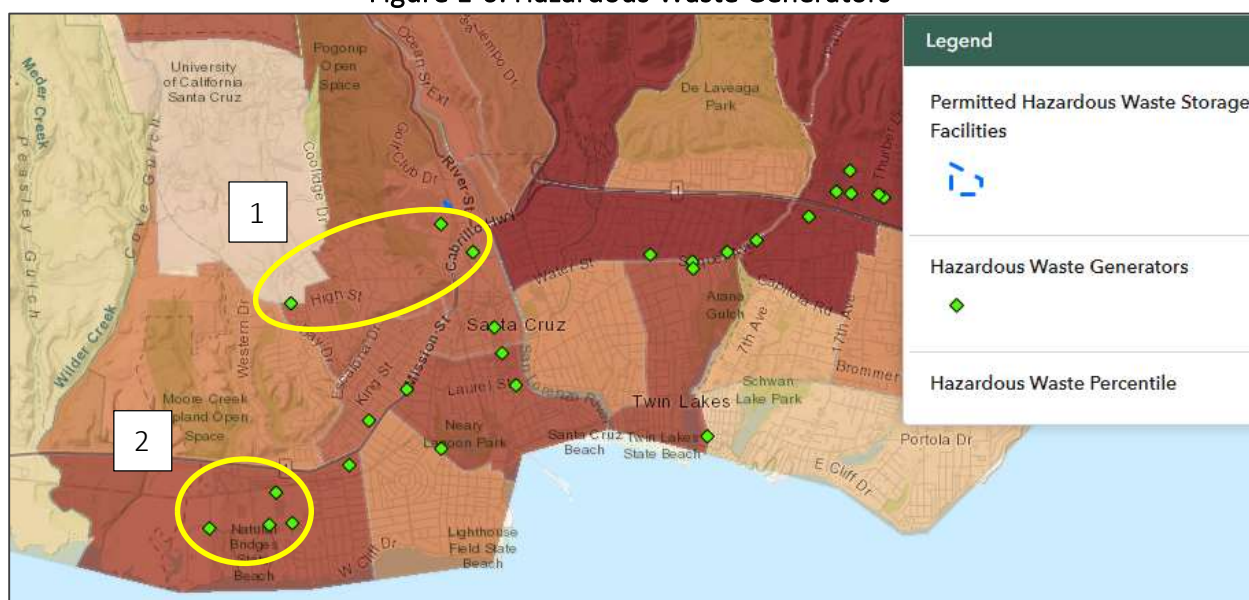
The P-F zone is appropriate to accommodate emergency shelters as they are typically located along major arterial roadways with access to employment centers and near stores and other services. There are currently over 100 acres of land zoned P-F, including sites between .2 and 17.5 acres in size. It is estimated that there are approximately 30 sites zoned P-F which are between .5 to 10 acres which are nonvacant but have characteristics that make the sites viable for the development of an emergency shelter. Many of the sites zones P-F have large areas dedicated for parking which can feasible be subdivided to allow for the development of emergency shelters.

Approximately 30 of the sites between .5 and 10 acres in size have sufficient capacity to accommodate a shelter of approximately 20 beds if one is proposed.

Figure E-6 shows the location of hazardous waste generators in the City. Figure E-2 shows P-F zoned parcels are fairly scattered throughout the City; the I-G zoning district is solely located in two areas of the City. Within these two zoning districts are seven hazardous waste generators listed below. These generators are light industrial uses, research labs, and grocery stores that do not create an environment unfit for human habitation. In fact, existing residential neighborhoods are currently located within close proximity.

- Area 1: Costco Wholesale, Banfield Pet Hospital, and University of California Santa Cruz
- Area 2: Santa Cruz Biotechnology Inc., Santa Cruz Nutritionals, Harmony Foods Corporation, and University of California Santa Cruz

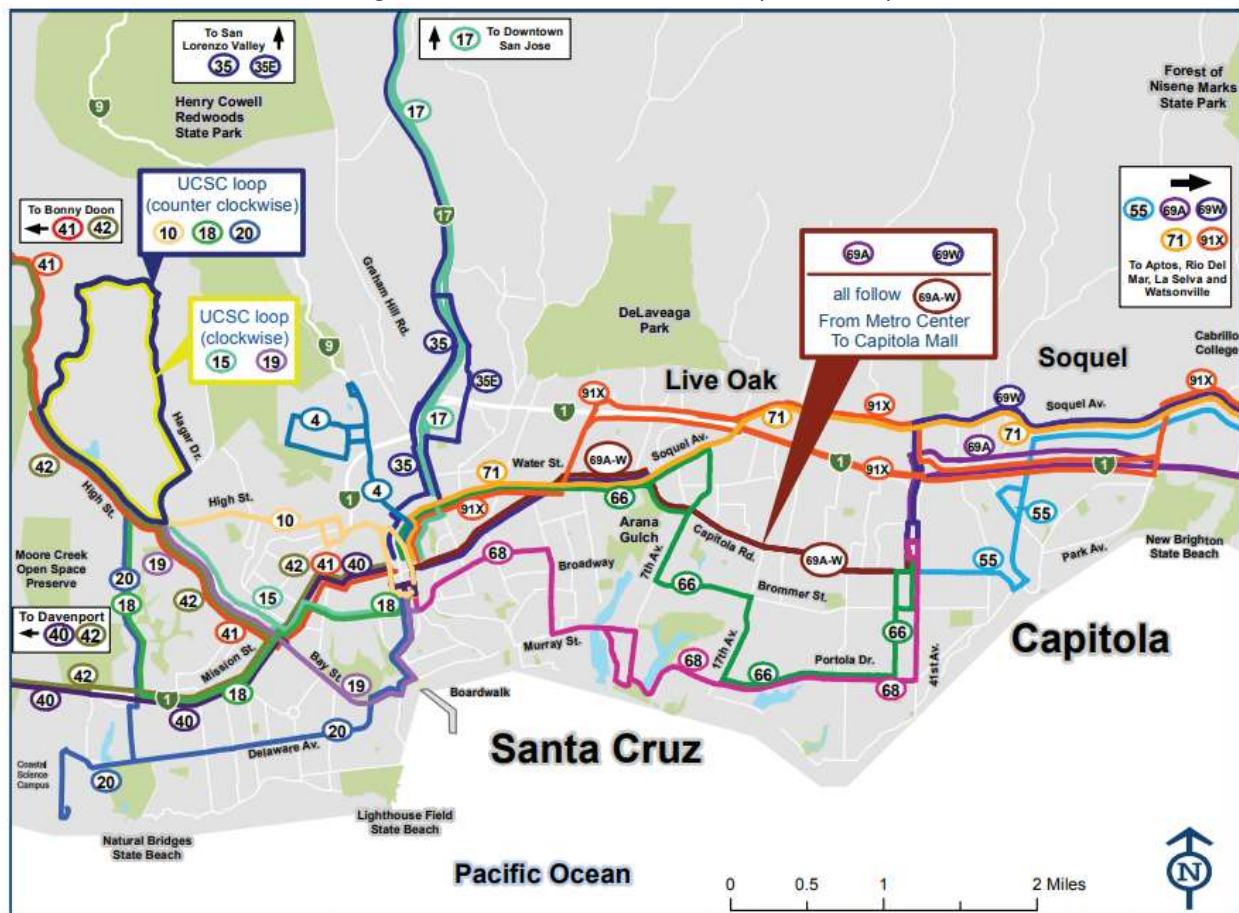
**Figure E-6: Hazardous Waste Generators**



Source: CalEnviroScreen 4.0 (Accessed December 6, 2022)

Additionally, the City has an extensive bus network that connect the two zoning districts permitting emergency shelters to the rest of the City and nearby communities. The two zoning districts permitting emergency shelters are evenly distributed throughout the City, allowing easy, convenient, and equitable access to transportation, services, and resources in the City. Persons residing at emergency shelters in these zones, or persons seeking to reach those emergency shelters, can find quick transit options. The bus fare within Santa Cruz County for one ride is \$2 for adults and children; students with a valid UCSC student ID may ride for free. Santa Cruz METRO also implements a Free Fare Program for COVID-19 vaccine appointments and for legally blind riders. In 2019, Santa Cruz METRO implemented the Free Fare Program for legally blind riders to resolve concerns raised by visually impaired riders who had difficulty using the ticket vending machines. Seniors 62 or older and persons with disabilities are also eligible for discounted fares and passes. These programs may benefit persons seeking to access emergency shelters or areas within the County from the shelters.

Figure E-7: Santa Cruz METRO System Map



Source: Santa Cruz METRO Fall 2022 Bus Rider's Guide

## Agricultural and Employee Housing

California Health and Safety Code Sections 17021.5 and 17021.6 requires agricultural housing to be permitted by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. This is included in the Policy Plan to ensure the City's development standards comply with these requirements.

## Low-Barrier Navigation Centers

Low-barrier navigation centers are defined as a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. Low-barrier navigation centers are required as a use by-right in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if the center meets specified requirements. The Santa Cruz Zoning Code does not address low barrier navigation centers by definition. This is included in the [Policy Plan](#) to adopt and implement procedures and regulations to process low-barrier navigation centers, including establishing a ministerial approval process.

## Single Room Occupancy (SRO)

Single Room Occupancy (SRO) units are clusters of residential units of a smaller size than normally found in multi-family development within a residential hotel, motel, or facility providing sleeping or living facilities. Kitchen or cooking facilities may be provided within the unit or shared within the housing project. The net area of a SRO unit may range from a minimum of one 150 square feet to a maximum of 400 square feet, with the average unit size being no greater than 345 square feet. SROs of 220 square feet or more must have their own kitchen and a full bathroom. SROs development projects must also comply with the underlying standards of the zoning district in which they are located, except for requirements on the minimum lot area per dwelling unit.

SROs are principally permitted in all mixed-use zones and the following zones: R-L, R-M, R-H, R-T(A), R-T(B), R-T(C), C-C, C-T, C-N, C-B.

In March 2022, the City adopted Flexible Density Units (FDU) to give developers more options for unit sizes and expand the housing stock options in the downtown area and along Soquel Avenue; the measure is currently undergoing review with the Coastal Commission and will go into effect within 30 days once approved. Three housing types will be further facilitated through this measure:

- **Single Room Occupancy (SRO):** Rental studios measuring 150 to 400 square feet
- **Small Ownership Unit (SOU):** Studio or 1-bedroom units measuring 400 to 650 square feet with at least 50 percent of units for-sale.
- **Flexible Density Unit (FDU):** Small family and single-parent household units measuring 220 to 650 square feet available for either rent or sale.

FDUs will not count towards density and developments with FDUs may provide 100 percent residential use in mixed-use zones without having to provide ground floor commercial. The City is committed to facilitating the development of smaller affordable units to address a wide range of the community's housing needs – from seniors looking to downsize, lower income households, to small families.

## 7. Residential Development Standards

The City's Zoning Code establishes regulations and development standards for each residential district to provide a range of housing types. All information regarding the City's zoning and development standards are available to the public on the Santa Cruz City website pursuant to Government Code §65940.1 (a)(1)(B).

These standards and regulations are intended to create, preserve, and enhance residential neighborhood sites for a range of development types and lifestyles. The residential zoning guidelines and development standards are intended to:

- Provide appropriately located areas for a variety of residential neighborhoods to meet the housing needs of the Santa Cruz community;
- Provide for a range of housing types and housing alternatives for all economic segments of the community;



- Encourage the provision of attractive and stimulating surroundings that will make Santa Cruz's residential areas enjoyable places to live; and
- Protect residential areas from the intrusion of incompatible uses or activities which may impair the livability of a neighborhood.

The City established development standards to regulate development throughout the City through its Zoning Code. The development standards include minimum requirements for lot size and lot widths and maximum construction standards for height, lot coverage, and density. [Table E-4](#) below provides the standards applicable to each zoning district in Santa Cruz that permits residential development.

**Table E-4: Santa Cruz Development Standards - Dimensions**

Zone	Min. Dimensions (Sq. Ft.)		Min. Yard Setbacks (Feet)			Max. Height (Feet)	Min. Open Space per Unit (Sq. Ft.)
	Lot Size <sup>1</sup>	Lot Width <sup>1</sup>	Front	Side <sup>2</sup>	Rear		
RS-10A (SFR)	10 ac	250	40 <sup>3</sup>	25	30	30	n/a
RS-5A (SFR)	5 ac	200	40 <sup>3</sup>	20 <sup>3</sup>	30	30	n/a
RS-2A (SFR)	2 ac	150	40 <sup>3</sup>	20 <sup>3</sup>	30	30	n/a
RS-1A (SFR)	1 ac	100	40 <sup>3</sup>	15 <sup>3</sup>	30	30	n/a
R-1-10	10,000	70	25 <sup>3</sup>	20 <sup>2</sup>	30	30	n/a
R-1-7	7,000	70	20 <sup>3</sup>	14 <sup>2</sup>	25	30	n/a
R-1-5	5,000	50	20 <sup>3</sup>	10 <sup>2</sup>	20	30	n/a
R-L (SFR detached)	5,000	50	15	5	10	30	n/a
R-L (2+ units)	5,500	50	15	5	10	30	400
R-M duplex	4,400	50	15	5	10	30	n/a
R-M (3+ units)	5,500	65	15	5	10	35	400 (200 studios/ 1 beds)
R-H (duplex)	4,000	50	15	5	10	30	n/a
R-H (3+ units)	5,000	50	15	5	10	48	250
R-T(A) (SFR detached)	5,000	50	15	5	10	30	n/a
R-T(A) (duplex)	5,000	50	15	5	10	30	n/a
R-T(A) (3+ units)	8,000	65	15	5	10	36	400
R-T(A) (Other)	8,000	65	15	5	10	36	n/a
R-T(B) (SFR detached, duplex)	5,000	50	15	5	10	30	n/a
R-T(B) (3+ units, other)	8,000	65	15	5	10	36	400 (n/a for other)
R-T(C) Subdistrict C (SFR Detached)	5,000	50	0	6 or 1 ft/2 feet height		30	n/a
R-T(C) Subdistrict C (Duplex)	5,000 (2,500/ du)	50	0	6 or 1 ft/2 feet height		30	n/a
R-T(C) Subdistrict C (3+ units)	8,000 (1,450/ du)	65	0	6 or 1 ft/2 feet height		36	400
R-T(C) Subdistrict C (Other)	5,000	65	0	6 or 1 ft/2 feet height		36	n/a
R-T(D) (SFR Detached)	3,000	40	15 on 2 <sup>nd</sup> St. 10 on Cliff St.	6 or 1 ft/2 feet height		22	n/a
R-T(D) (Duplex)	3,600 (1,800/ du)	40		4		22	400

Table E-4: Santa Cruz Development Standards - Dimensions							
Zone	Min. Dimensions (Sq. Ft.)		Min. Yard Setbacks (Feet)			Max. Height (Feet)	Min. Open Space per Unit (Sq. Ft.)
	Lot Size <sup>1</sup>	Lot Width <sup>1</sup>	Front	Side <sup>2</sup>	Rear		
R-T(D) (Triplex)	7,200 (1,600/du)	80	1 <sup>st</sup> Story: 5 <sup>4</sup> 2 <sup>nd</sup> Story: 10 <sup>4</sup> Other Uses: 10 <sup>4</sup>	4	1 <sup>st</sup> Story: 10 2 <sup>nd</sup> Story/ Other uses: 15	22	400
R-T(D) (4+ units)	8,000 (1,600/du)	80		4		30	400
R-T(D) (Other)	8,000	80		4		30	n/a
R-T(E) (Duplex)	3,400 (1,700/du)	40	1 <sup>st</sup> Story: 5 2 <sup>nd</sup> Story: 10 3 <sup>rd</sup> Story: 10 <sup>5</sup>	1 <sup>st</sup> Story: 3 2 <sup>nd</sup> Story: 5 3 <sup>rd</sup> Story: 5 <sup>5</sup>	1 <sup>st</sup> Story: 10 2 <sup>nd</sup> Story: 10 3 <sup>rd</sup> Story: 10 <sup>5</sup>	22	400
R-T(E) (3+ units)	6,800 (1,450/du)	65				22	400
R-T(E) (7+ units)	10,200 (1,200/du)	80				36	400
R-T(E) (Other Uses)	10,200	80				36	n/a
<div>1. Standard. Minimum lot area (net).</div> <div>2. Interior side yard, both yards total.</div> <div>3. For any attached or detached garage or carport fronting on a front of exterior side property line, the setback shall be a minimum of twenty feet from the property line or setback, whichever is greater.</div> <div>4. For any attached or detached garage or carport fronting on a front or exterior side property line, the setback shall be 20 feet.</div> <div>5. Front and rear yards are subject to building envelope, per SCMC Section 24.0.640 subsection (2)(a).</div> <div>Source: City of Santa Cruz Zoning Code</div>							

## Yard Requirements

The Santa Cruz Zoning Code defines a yard as an open space, other than a court, on the same lot with a building. Open space is occupied and unobstructed from the ground to the sky. The yard extends the full width of the lot and is measured perpendicular from the line, on a horizontal plane, to the wall of the facility including the front yard, side yard and rear yard, or space between structures. The yard requirements, as established in [Table E-4](#) above, are not considered a constraint to development of housing and are similar to those of the region. Alone and cumulatively, yard requirements do not impact cost, supply, or the ability to achieve maximum densities without exceptions.

## Lot Coverage and FAR

The Santa Cruz Zoning Code defines lot coverage as the percentage of total site area covered by the main building and all accessory buildings, open or enclosed. Lot coverage is regulated in order to avoid nuisances from inappropriate and excessive massing or density in a particular zoning district. Floor area is defined as the entire floor area of a building. The floor area includes not only the ground floor area but also any additional stories or basement of the building. All horizontal dimensions shall be taken from the exterior faces of walls, including enclosed porches. The lot

coverage and FAR requirements, as established in [the Zoning Code](#), are not considered a constraint to development of housing and are similar to those of the region. Alone, lot coverage and FAR requirements do not impact cost, supply, or the ability to achieve maximum densities without exceptions. Cumulatively with other land use controls, lot coverage requirements may be a constraint to development in the R-H and R-T(C) zones as well as other higher density zones, depending on specific requirements. The City has added Policy Program 1.3g to review development standards and adopt changes with the ultimate goal of achieving maximum densities without exceptions.

## Maximum Building Heights

The building height refers to the vertical distance above the average finished grade and is measured to the midpoint of roof planes. Setting limits to the height of buildings avoids bulking and potential nuisances on neighboring properties – relating to privacy and/or sunlight and shade. This requirement also ensures a compatibility and similar aesthetic amongst uses. The height requirements, as established in [Table E-4](#) above, are not considered a constraint to development of housing and are similar to those of the region. Alone, height requirements do not impact cost, supply, or the ability to achieve maximum densities without exceptions. Cumulatively with other land use controls, height requirements may be a constraint to development, specifically in higher density residential zones. The City has added Policy Program 1.3g to review development standards and adopt changes with the ultimate goal of achieving maximum densities without exceptions.

## Open Space

The Santa Cruz Zoning Code defines open space as outdoor area on the ground, roof, balcony, deck, or porch which is designed and used for outdoor living, recreation, pedestrian access, or landscaping. Open space does not include off-street parking, driveway areas, or areas with a slope greater than ten percent or a dimension of less than ten feet. The term may include private balconies if their smallest dimension is four linear feet or more. Alone and cumulatively, open space requirements do not impact cost, supply, or the ability to achieve maximum densities without exceptions.

## Parking Standards

Sufficient off-street parking must be provided to avoid street overcrowding. This is maintained through the establishment on parking requirements, which fluctuate depending on the land use/housing type and the number of bedrooms. [Table E-5](#) provides the parking requirements specific to the City of Santa Cruz. Parking standards in Santa Cruz are similar, and less in certain instances, to those of the neighboring communities. While parking standards are not currently considered a constraint to housing development, the Chapter 2: Policy Plan establishes actions for the City to reduce the requirements with the ultimate goal of eliminating parking minimums city-wide.

Table E-5: Required Parking Spaces for Residential Uses			
Residential Uses	Minimum Number of Spaces Required per Unit		
Number of Bedrooms	Efficiency (Studio)	One	Two
Single-Family Dwelling (including townhomes), houseboat, duplex, triplex, mobile homes, community housing projects, other multifamily dwelling units.	1	1	2
Community Housing Projects, Townhomes, and Multifamily Projects of 5 units or more	In addition to meeting above residential parking requirements, guest parking spaces shall be provided at a rate 10% of the above standards. Fractional spaces will be rounded up to the next whole number.		
Accessory Dwelling Units	No off-street parking shall be required for any ADU with exceptions found in Zoning Code Section 24.12.240.		
Senior Housing (congregate care, senior apartments, subsidized housing, residential care)	1 for each 3 dwelling units intended for separate occupancy.		
Emergency Shelters	One space per staff member plus one space per six occupants allowed at maximum capacity.		
Lodging, rooming houses, and bed-and-breakfast inns	2 spaces, plus 1 for each bedroom that is rented.		
SRO	0.75 space for units less than 300 square feet. 1 space for units 300 square feet or more.		

Construction costs can be higher for covered parking, parking structures, and/or below ground parking; however, the City's parking standards do not require covered parking for residential developments. The required parking standards are consistent or lower than neighboring jurisdictions, but the cost of land in the City is more expensive than some surrounding jurisdictions. The cost of developing parking based on the City's requirements for multi-family housing can be considered a constraint to the development of housing. However, developers may receive concessions or incentives in the form of parking reduction for the development of housing affordable to low- and very low-income households as provided in the State Density Bonus Law section. In addition, recent State law prohibits local jurisdictions from requiring parking for residential projects that are within one-half mile of a major transit stop, which includes large portions of the City.

## 8. Objective Zoning Standards

On November 15, 2022, the Santa Cruz City Council voted to adopt Objective Standards for Multifamily Housing. As of April 2023, the standards are in effect for all new multifamily development proposals located outside the coastal zone; they are anticipated to go into effect in the coastal zone mid-2023. The Objective Standards create many new design standards and are more specific than most existing standards. Additionally, the proposed new zone districts set various building standards, such as heights, setbacks, and open space requirements, that the City can use to control development, where these standards either do not exist or State law currently overrides the City's standards. The Objective Standards project makes it possible for the City to require architectural features and building materials that reflect the existing mix of characteristics that give Santa Cruz its unique sense of place.



The Objective Standards work together with other regulations in each zone district to control new development in a way that will enhance the existing character of different types of neighborhoods. Exclusively residential development is subject to different standards than areas where mixed-use development (residential and commercial development together in one building or on one property) is planned. This differentiation between districts is part of the effort to maintain a distinctly Santa Cruz eclecticism as new housing is built over the coming decades. Reflecting this value is important because it was mentioned in so many of the City's community engagement events. Other community values like dark-sky lighting, seeking ways to keep more existing trees as new development occurs, providing height transitions to adjacent low-density neighborhoods, and creating new pedestrian connections through large development sites are also included in the Objective Standards based on community input.

## New Mixed-Use Zone Districts

An important part of implementing the City's 2030 General Plan is creating zone districts that accommodate the development intensities planned for in that document. Recent changes to California State Law have required the City to begin implementing these development intensities, and the new zone districts now create more clarity around the development standards that apply to conforming development applications. (Applications using the State Density Bonus Law will continue to have the option to request waivers of site standards, as is currently the case.)

The new zoning districts adopted in November 2022 and their locations include those listed below. Permitted uses for each of the six new zones are listed in Table [E-3b](#).

- Mixed-Use Medium Density (MU-M) – Mission Street
- Mixed-Use High Density (MU-H) – Soquel Avenue/Branciforte Drive/Water Street
- Mixed-Use Districts for Ocean Street:
  - Mixed-Use Ocean Medium Density (MU-OM)
  - Mixed-Use Ocean High Density (MU-OH)
  - Mixed-Use Visitor High Density (MU-VH)
  - Mixed-Use Visitor Additional Height (MU-VA)

## 9. *Housing for Persons with Disabilities*

Both the Federal Fair Housing Amendment Act (FHAA) and the California Fair Employment and Housing Act require local governments to make reasonable accommodations (that is, modifications or exceptions) in their zoning laws and other land use regulations to afford disabled persons an equal opportunity to housing. State law also requires cities to analyze potential and actual constraints to the development, maintenance, and improvement of housing for persons with disabilities.

Housing for persons with disabilities may include independent housing units with access to supportive services or facilities (licensed or unlicensed) that provide care and services. The following lists housing types for persons with disabilities and the zones in which they are permitted:

- **Licensed Residential Care Facilities (6 or fewer residents)** – permitted by-right in the R-S, R-1, R-L, R-M, R-H, R-T(A), R-T(B), C-C, CBD(E), and all mixed-use zones. Permitted with approval of a AUP permit in the R-T(D), R-T(E), C-T, and C-N zones. Permitted with approval of a SUP permit in the P-A zone.
- **Unlicensed Residential Care Facilities (6 or fewer residents)** – permitted by-right in the R-S, R-1, R-L, R-M, R-H, R-T(A), R-T(B), C-C, CBD(E), and all mixed-use zones. Permitted with approval of a AUP permit in the R-T(D), R-T(E), C-T, and N-N zones. Permitted with approval of an SUP permit in the P-A and E-A zones.
- **Licensed Residential Care Facilities (7 or more residents)** – permitted with approval of an SUP permit in the R-S, R-L, R-M, R-H, R-T(A), R-T(B), R-T(D), C-C, C-N, P-A, E-A, CBD(E), and all mixed-use zones. Permitted with approval of a AUP permit in the R-1 and R-T(E) zones.
- **Unlicensed Residential Care Facilities (7 or more residents)** – permitted with approval of an SUP permit in the R-S, R-1, R-L, R-M, R-H, R-T(A), R-T(B), R-T(D), C-C, C-N, P-A, E-A, CBD(E), and all mixed-use zones. Permitted with approval of a AUP permit in the R-T(E) zone.
- **Supportive Housing** – permitted by-right in the R-S, R-1, R-L, R-M, R-H, R-T(D) and all mixed-use zones. Permitted with approval of an SUP permit in the R-T(A), R-T(B), and R-T(C) zones.
- **Transitional Housing** – permitted by-right in the R-S, R-1, R-L, R-M, R-H, R-T(D) and all mixed-use zones. Permitted with approval of an SUP permit in the R-T(A), R-T(B), and R-T(C) zones.

## Reasonable Accommodations

Reasonable accommodation in the land use and zoning context means providing individuals with disabilities, or developers of housing for people with disabilities, flexibility in the application of land use and zoning and building regulations, policies, practices, and procedures, or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Code to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

The Santa Cruz Zoning Code does not establish a Reasonable Accommodations application or formal review process; however, it allows for deviations from design permit standards and waives setback requirements for persons with physical challenges. A policy objective is included in the Policy Plan to establish formal reasonable accommodations procedures and make information readily available for the public.

## Definition of Family

Under the right of privacy, the California Constitution prohibits a restrictive definition of “Family” which limits the number of unrelated persons and differentiates between related and unrelated individuals living together. The City’s Zoning Code defines “Family” as “an individual, or two or more persons living together and occupying a dwelling which is not a rooming house, lodging house, or residential institutional use.” This definition does not limit the number of unrelated persons, nor does it differentiate between related and unrelated individuals living together.

## 10. Local Ordinances

An ordinance is a law passed by a municipal government. Local ordinances are enacted to maintain or improve public safety, health, and general welfare. Locally adopted ordinances such as inclusionary ordinances or short-term rental ordinances may directly impact the cost and supply of residential development. Impacts may create governmental constraints to the development of housing and may hinder the City from meeting its share of the regional housing need and the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters.

### Inclusionary Housing Program

Inclusionary Housing programs are local zoning ordinances which either mandate or encourage housing developers to include a specified percentage of units affordable to lower and moderate-income households. Inclusionary Housing programs bring affordable housing to market and increase types of housing available to people of different income levels.

In 1979, Measure O, a voter initiative to require a greenbelt around the City and to require developers to include a percentage of affordable housing in all housing developments was approved by the voters. The City of Santa Cruz adopted an Inclusionary Ordinance to codify the affordability requirements of Measure O. The Inclusionary Housing Program is designed to:

- Enhance the public welfare and assure that further housing development contributes to the attainment of the City's housing goals as described in the Housing Element of the General Plan, by creating, preserving, maintaining, and protecting housing affordable for households of very low-, low- and moderate-income;
- Assure that the remaining developable land in the City's planning area is utilized in a manner consistent with the City's housing policies and needs;
- Improve the feasibility of rental housing development within the City;
- Meet the City's share of regional housing needs while making housing available to all income levels;
- Assure compatibility between market rate units and inclusionary units.

The Inclusionary Housing Program may work in conjunction with the Density Bonus Ordinance. For a development project subject to the inclusionary requirements and applying for a Density Bonus, the highest affordable requirement of the two would be applied. For example, if ten low-income units are required through the City's inclusionary program and two very low-income units are required for the Density Bonus – the development would then provide eight low-income units (in perpetuity) and two very low-income units, which upon expiration (typically about 55 years) would then convert to low-income units.

### Applicability

The Inclusionary Housing Program applies to all new 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 creating two or more lots through approval of a parcel map or tentative map.

Residential developments that are exempt from the Inclusionary Housing Program requirements are detailed in the City's Zoning Code Section 24.16.020 and include:

- Residential developments developed pursuant to the terms of a Development Agreement executed prior to the effective date of the ordinance codified in chapter 24.16 of the Municipal Code; 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.
- Residential developments for which a complete application was filed with the City prior to the effective date of the ordinance codified in chapter 24.16 of the Municipal Code; 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.
- 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.
- 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.
- Accessory dwelling units.
- Rental residential developments with two to four dwelling units.

Developers of ownership residential developments of two to four dwelling units designed and intended for residential occupancy must either 1) make one inclusionary unit available for sale at an affordable ownership cost, 2) make one inclusionary unit available at an affordable rent for low-income households, or 3) pay an in-lieu fee calculated pursuant to section 24.16.030 of the Santa Cruz Municipal Code.

Developers of ownership or rental residential developments consisting of five or more dwelling units must make 20 percent of the dwelling units available for sale or rent to low- and moderate-income households at an affordable ownership cost. In a rental residential development comprised of SRO units, 20 percent of the units must be made available for rent to very low-income households at an affordable rent.

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. If the developer agrees to make at least 40 percent of the residential project available for rent at an affordable rate 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. The inclusionary requirements have participated in the City's success in meeting its 5<sup>th</sup> Cycle RHNA. [Appendix G](#) provides a list of projects currently in the pipeline which also include inclusionary units.

## *Alternatives*

As part of the first approval for any residential development subject to the inclusionary housing requirements an applicant may choose to use an alternative method of compliance. For all alternative methods of compliance, the approval body must make the following findings: 1) the proposal for the alternative method of compliance is consistent with the Santa Cruz General Plan and all of its elements, and 2) the proposal conforms to the standards established for inclusionary units in Section [24.16.025](#) of the Municipal Code, unless the alternative method does not require compliance with that section.

The alternative options include:

- Off-site construction of inclusionary units
- Conversion of existing market-rate units or upper floors of commercial/office buildings to inclusionary units
- Transfer of credits
- In-lieu housing fees under the following circumstances:
  - For all ownership residential developments or residential subdivisions that would create two, but no more than four, additional dwelling units or parcels at one location, the applicant may elect to pay an in-lieu fee for the fraction of an inclusionary unit equal to 0.15 times the number of units or parcels in the residential development or subdivision reduced by 60 percent.
  - For ownership residential developments where any dwelling units are offered for sale, or where all dwelling units are offered for rent, but where a subdivision map has been recorded to create parcels containing single dwelling units, the applicant may elect to pay an in-lieu fee for any fraction of an inclusionary unit equal to 0.7 or less.
  - For rental residential developments that would create five, but no more than ten, additional dwelling units at one location, the applicant may elect to pay an in-lieu fee for any inclusionary unit as required by Section 24.16.020(5).
  - For residential developments that the approval body determines are assisted living units, co-housing developments, congregate living units, or live/work units the applicant may elect to pay an in-lieu fee for the entire inclusionary unit requirement.
  - Except as provided in subsection (6)(c), for all other residential developments creating five or more units, in-lieu fees may be paid for all or a portion of the required inclusionary units at the discretion of the approval body if the approval body makes the findings required by subsection (2), accompanied by a staff report with a recommendation from the planning and community development director and the economic development director, except that conformance with Section 24.16.025 is not required. The approval body must also find that either the in-lieu



fees will provide for the greater of one affordable unit or at least thirty percent more inclusionary units or affordable housing than would be provided by the on-site provision of inclusionary units by providing matching funds for state or federal grants or otherwise. It is the city council's intent that, except as provided in subsections (6)(a)(1) through (4), in-lieu fees be infrequently approved.

- Land dedication
- Congregate living units or assisted living units
- Rental to tenant-based subsidy holders
- Employer sponsored housing
- Other alternative compliance methods upon approval or conditional approval if the approval body finds that 1) such alternative compliance will provide as many or more affordable units at the same or lower income levels; and 2) financing has been committed to ensure that the affordable units will be constructed.

## Short-Term Rental (STR) Ordinance

Short-term rentals are commonly defined as an accessory use of a primary residence for the purposes of providing temporary lodging for compensation for up to 30 days or less. The purpose of the Short-Term Rental (STR) Ordinance is to establish regulations, standards, and a permitting process governing the renting or leasing of privately owned, visitor-serving dwelling units on a short-term basis. STRs are often established to safeguard residents by ensuring that short-term rental activities do not threaten the character of neighborhoods and that such short-term rental activities do not become a nuisance, or threaten the public health, safety, or welfare of neighboring properties. In addition, limits on the number of short-term rentals minimizes the impacts on housing by ensuring that a large number of housing units, both rental and ownership, are not removed from the housing market.

The City implements the STR Ordinance through Chapter 24.12, Part 18 of the Municipal Code. All owners of STR units are required to obtain a STR permit and Transient Occupancy Tax (TOT) Certificate to use their property for STR purposes. Owners of STRs that were legally operating before the STR Ordinance went into effect were eligible to apply for short-term rental permits. In addition to the approximately 300 existing STRs, 250 additional owner-occupied/hosted STR permits were made available on a first come, first served basis. Properties with a single-family home and an ADU are not approved to receive an STR permit for either the single-family home or the ADU.

## Density Bonus Ordinance

In accordance with California State Government Code Section 65915, a housing development may increase the number of units above the maximum permitted and/or receive reductions in development standards in exchange for reserving units for very low-, low-income, and/or moderate-income households or for seniors. These units must be restricted to their level of affordability for at least 55 years through a deed-restricted affordable housing covenant. In addition, the City's Density Bonus Ordinance contains some provisions not included in State Density Bonus law. The Density Bonus Ordinance is part of the City's Municipal Code and is available to the public in Chapter 24.16 Affordable Housing Provisions. According to the City's

Zoning Code, qualifying housing developments that satisfy at least one of the following categories or land dedication provisions listed below will be granted a 20 percent density bonus:

- At least 10 percent of total units of housing development for lower income households;
- At least 5 percent of total units of a housing development for very low- or extremely low-income households;
- At least 10 percent of the total dwelling units in a common interest development, as defined in Civil Code Section 4100, are for households; and
- A senior citizen project or mobile home park that limits residency based on age requirements for housing older persons in compliance with Civil Code Section 51.3, 798.76, or 799.5. (Senior citizen projects shall be restricted to occupancy by senior citizens in perpetuity.)

AB 2345 states that all jurisdictions in California are required to process projects proposing up to 50 percent additional density provided those projects produce the additional below market rate (BMR) units in the “base” portion of the project, unless the locality already allows a bonus above 35 percent. The bill also lowered the BMR thresholds for concessions and incentives for projects with low-income BMRs. As of 2023, Government Code Section 65915 authorizes an applicant to receive two incentives or concessions for projects that include at least 17 percent of the total units for lower-income households, at least 10 percent of the total units for very low-income households, or at least 20 percent moderate-income households in a development in which the units are for sale. It also allows an applicant to receive up to three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent of the total units for very low-income households, or at least 30 percent for persons or families of moderate-income households in a development in which the units are for sale. This is included in the Policy Plan to update the Ordinance in compliance with State law updates.

## Growth Management Measures

Growth management measures may be adopted by jurisdictions or voted into law by a vote of the people to control local growth. Requiring voter approval for legislative actions, such as General Plan or Zoning Code amendments which increase density, floor area ratio (FAR), or building height, would be considered a growth control measure and may constrain housing production, as it would decrease approval certainty and increase cost. The same could be true if a vote of the people were to be required for uses over a specified square footage or unit count.

Through a growth management measure such as those noted above, a vote could occur at a General Election or a Special Election, both of which would result in timing delays and additional costs. A Special Election typically costs over \$200,000, based on the City’s cost to have an election conducted by the County Elections Department. If the vote were held during a General Election, the cost may only slightly decrease, with the costs typically starting at about \$170,000. Given this process, cost, and overall approval uncertainty, housing developers and property owners may be discouraged from pursuing housing developments in the jurisdiction if a vote is necessary before the project can be approved, thereby constraining the production of both market-rate and affordable housing units.

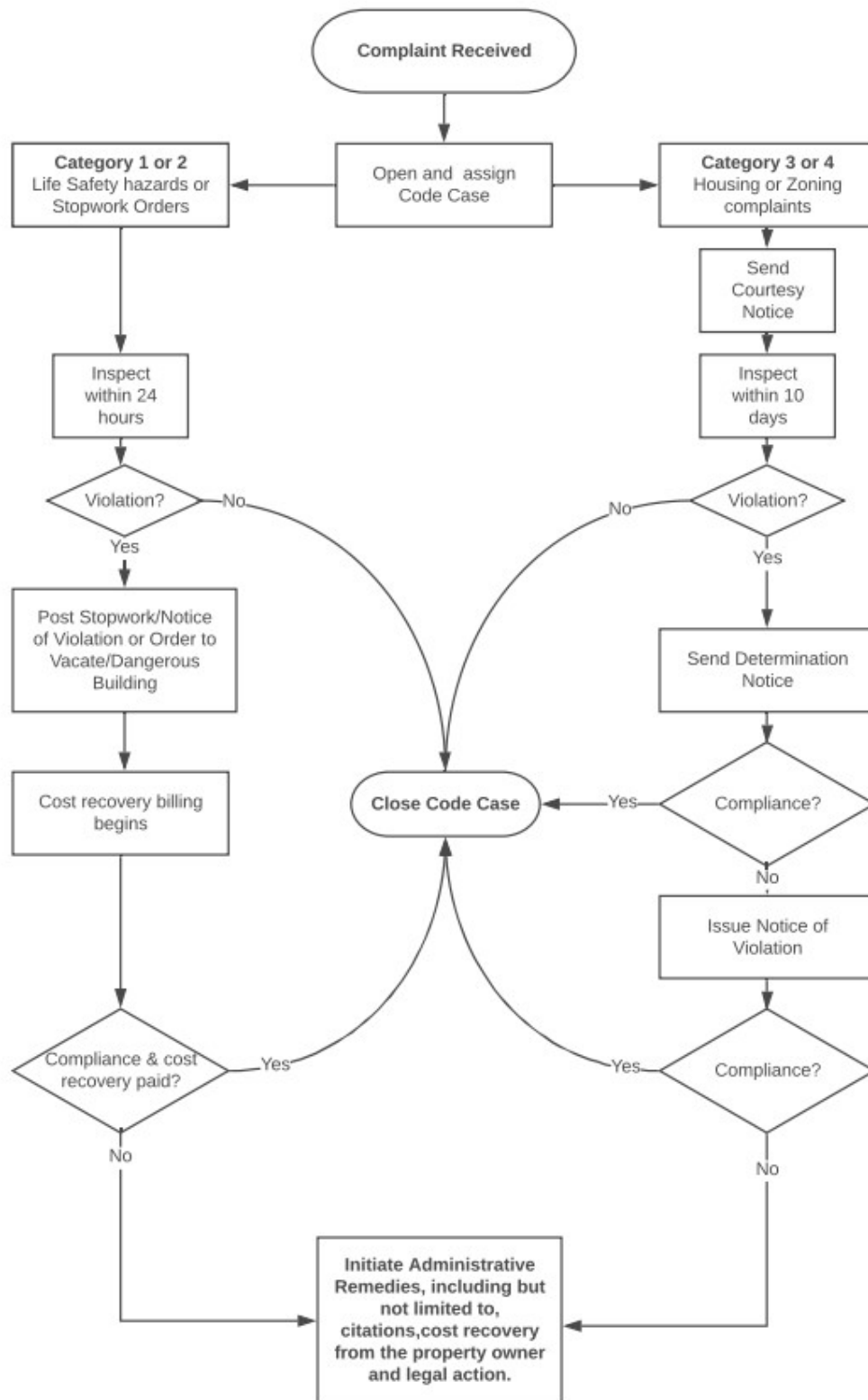
A growth management measure could also include indirect actions. Given that the City's inclusionary rate is already 20 percent, a measure raising the inclusionary housing rate further, without first conducting a market analysis to determine feasibility and efficacy of the new rate, could be considered a constraint to housing. This is because an increased inclusionary rate that is infeasible for housing developers may discourage future housing applications.

The City does not currently have an adopted growth management measure, and as such, this is not considered a constraint to housing development, and particularly affordable housing development, in the City.

## **11. Code Enforcement**

The Planning and Community Development Department provides Code Enforcement services for a variety of concerns. Code Enforcement is run on a complaint basis with the goal of coordinating with property owners to bring issues into compliance. The ultimate priority is to ensure life and safety protection. [Figure E-8](#) details how complaints are processed.

Figure E-8: Code Compliance Process



## 12. Local Processing and Permit Procedures

The development community commonly cites the permit processing time as a contributor to the high cost of housing. Depending on the magnitude and complexity of the development proposal, the time that elapses from application to project approval may vary considerably. Factors that can affect the length of development review of a proposed project include the completeness of the development application and the responsiveness of developers to staff comments and requests for information. Approval times are substantially lengthened for projects that are not exempt from the California Environmental Quality Act (CEQA), require rezoning or general plan amendments, or encounter community opposition.

The City works to streamline permit application review as staffing and resources are available. Specifically, the City is working to streamline projects that include lower income units. Through its development processes and procedures, the City complies with the statutory requirements of the Permit Streamlining Act. The City processes all development applications within the statutory processing and timing requirements of the Permit Streamlining Act.

In the State of California, developments deemed a project are required to undergo a CEQA analysis, independent of the City's development review process. The City complies with all CEQA timing requirements, including streamlining determinations.

All permit applications are first reviewed by City Staff for completeness, and, once determined to be complete, discretionary applications must receive a recommendation through a staff report prior to a review by the appropriate authority. The City has within 30 calendar days to determine if the application is "complete" or "incomplete" for further processing. Typically, an "incomplete" application will require revisions and/or additional materials. The City staff has 30 calendar days to review each subsequent submittal. Applications deemed "complete" may continue to be processed for consideration by appropriate decision-making body, including the appropriate level of CEQA review.

Various applications may also require public noticing and a public hearing. Single- and multi-family developments are subject to the following submittal requirements:

1. Submittal of application including the following information:
  - a. A legal description of the property;
  - b. A location map showing the project site and the general vicinity of the site;
  - c. A completed environmental information form as prescribed by the City;
  - d. Site plans, elevation plans, floor plans and other maps and data as may be necessary to describe the existing conditions on and surrounding the property and the proposed plans for the future development of the property; and
  - e. Such other information specified in the Zoning Ordinance for the particular entitlement(s) requested.
2. Payment of fees for permit plan check and application processing.
3. Plan check completed by all applicable departments and agencies. Timeline and number of reviews can vary.
4. Permit issued once all comments are satisfied.



Table E-6 provides a list of Planning applications and the reviewing body for each, and Table E-7 provides example residential developments from the 5<sup>th</sup> cycle. The typical timeline for permit review processing and approval for single-family and multi-family developments is 3 months to 1 year or longer, depending on the complexity of the project and the responsiveness of the applicant to requests for information.

**Table E-6: Decision-Making Body with Final Approval Authority**

Permits/Action	No Public Hearing	Public Hearing		Appeal Bodies (in order)	Typical Review Time
	Action	Recommendation	Action		
Coastal Permit	ZA (ADU*)		ZA*	CPC/CC/CCC*	6-8 weeks
Administrative Use Permit: Large Family Daycare Homes, Temporary Uses, and half baths in accessory buildings	ZA			CPC/CC	6-8 weeks
Administrative Use Permit: Variations to parking design requirements or variations to number of required spaces	ZA			CPC/CC/CCC	8-12 weeks
Other uses as listed by individual zoning districts as requiring an Administrative Use Permit			ZA	CPC/CC	8-12 weeks
Design Permit	ZA			CPC/CC	6-8 weeks
Substandard lots: new two-story structures and second-story additions, excluding ADUs			ZA	CPC/CC	8-12 weeks
Large homes per Section 24.08.450			ZA	CPC/CC	8-12 weeks
New structures or improvements to existing structures in the WCD Overlay which are exempt or excluded from coastal permit requirements	ZA			CPC/CC	6-8 weeks
New structures or improvements to existing structures in the WCD Overlay which require a coastal permit			ZA	CPC/CC	6-8 weeks
Demolition Authorization Permit					
1. Single-family residential	ZA			CPC/CC	6-8 weeks
2. Multifamily residential			CPC	CC	8-12 weeks
3. Historic demolition permit			HPC	CC	8-12 weeks
4. Nonresidential	ZA**		ZA**	CPC/CC	6-12 weeks
General Plan Text and Map Amendments					4-8 months
Historic Alteration Permit			HPC	CC	8-12 weeks
Administrative Historic Alteration Permit					

**Table E-6: Decision-Making Body with Final Approval Authority**

Permits/Action	No Public Hearing	Public Hearing		Appeal Bodies (in order)	Typical Review Time
	Action	Recommendation	Action		
	ZA			HPC/CC	6-8 weeks
Mobile Homes (Certificate of Compatibility)	ZA			CPC/CC	8-12 weeks
Mobile Home Park Conversion			CPC	CC	4-6 months
Planned Development Permit		CPC	CC		3-6 months
Project (Major) Modification	Hearing by ZA or body approving application			Appeal to next highest body(ies)	8-12 weeks
Project (Minor) Modification	ZA			CPC/CC	6-8 weeks
Relocation of Structures Permit	ZA			CPC/CC	6-12 weeks
Revocation Permit	Hearing by ZA or body approving application			Appeal to next highest body(ies)	3-6 months
Variance			ZA	CPC/CC	2-4 months
Watercourse Variance			CPC	CC	2-4 months
Watercourse Development Permit	ZA			CPC/CC	2-4 months
Zoning Ordinance Text and Map Amendments:					
Amendments recommended by CPC		CPC	CC/CCC***		4-6 months
Amendments not recommended by CPC		CPC		CC/CCC***	6-8 months

CCC = California Coastal Commission CC = City Council CPC = City Planning Commission  
HPC = Historic Preservation Commission ZA = Zoning Administrator

\* For projects seaward of the mean high tide line, and in the case of appealable actions, the California Coastal Commission shall be the decision-making body which can finally approve an application. In the coastal zone, all proposed accessory dwelling units shall require a coastal permit (unless they are exempt or excluded from coastal permit requirements) and shall be processed in the manner described in Chapter 24.04 and Section 24.08.200 et seq., (including in terms of public noticing and process for appeal to the Coastal Commission) except that no public hearing shall be required. In addition to all other applicable LCP requirements, standards for ADUs in the coastal zone are specified in Section 24.12.140(10).

\*\* Such permits shall be issued administratively, without a public hearing, unless a cultural resources evaluation, prepared by a qualified consultant as determined by the zoning administrator, determines that the building or structure is eligible for listing on the city historic building survey.

\*\*\* California Coastal Commission in case of CLUP policy, CLIP elements.

\*\*\*\* At a regularly scheduled meeting, a majority of the council may take an action to direct any project or amendment to be called from a lower hearing body prior to a final action or during an appeal period in accordance with Section 24.04.175(2).

**Table E-7: Example Planning Project Review Timelines**

Project	Planning Application Submission Date	Planning Application Approval Date	Building Permit Submission Date	Building Permit Issuance Date
<b>130 Center St.</b> Density Bonus Project with 233 total units (35 very low-income deed restricted units)	9/14/2021	1/25/2022	5/16/2022	NA
<b>831 Water St.</b> SB 35 streamlined Density Bonus Project with 140 total units (55 low-income deed restricted units)	8/17/2021	12/16/2021	NA	NA
<b>727 Hanover St.</b> 11 total units (2 low-income deed restricted units)	6/22/2021	7/7/2021	7/15/2021	7/27/2022
<b>126 Eucalyptus Ave.</b> 76 unit senior living facility with 15 independent living units (2 moderate-income deed-restricted units)	11/19/2021	11/29/2022	NA	NA
<b>508 Front St.</b> 175 total units (15 very low-income and 5 low-income deed restricted units)	7/19/2019	1/12/2021	10/27/2021	NA
<b>902 Pacific Ave.</b> 95 total units (56 very low-income and 37 low-income deed restricted units)	4/5/2021	6/2/2021	NA	NA
<b>100 Laurel St.</b> 205 total units	10/26/2018	12/11/2018	10/01/2020	5/18/2021
<b>818 Pacific Ave.</b> 85 total units (84 low-income deed restricted units) with Housing Authority Vouchers for very low-income households and 22 units reserved for persons experiencing or at-risk of homelessness	11/13/2020	12/2/2020	9/20/2021	6/28/2022
<b>119 Coral St.</b> Supportive housing project with 121 total units (84 low-income deed restricted units)	10/28/2020	11/19/2020	12/21/2021	NA
<b>190 West Cliff Dr.</b> 89 total units (8 very low-income and 2 low-income deed restricted units)	4/7/2019	10/22/2019		
<b>350 Ocean St.</b> 60 total units (45 very low-income and 15 low-income deed restricted units)	2/3/2011; 5/31/2013; 5/29/2017	4/10/2012; 7/18/2013; 8/22/2017	1/23/2019	4/22/2019

## Design Permit

A design permit is required for multi-family residential development projects with three or more units; and single-family homes over 4,000 square feet in the R-1-10 zone, 3,500 square feet in the R-1-7 zone, and 3,000 square feet in the R-1-5 zone. Design Permit applications are approved by the Zoning Administrator, unless it is accompanied by an application which must be heard by Planning Commission or City Council. The following residential projects must also be approved by the Zoning Administrator but also require a Public Hearing:

- New two-story structures and/or second-story additions on substandard residential lots;
- Large homes per Section 24.08.450 of the Municipal Code; and
- New structures or improvements to existing structures in the West Cliff Drive Overlay District that require a coastal permit.

All Design Permit applications must conform with the following criteria to receive approve:

- The site plan and building design are consistent with design and development policies of the General Plan, any element of the General Plan, and any area plan, specific plan, or other city policy for physical development. If located in the Coastal Zone, the site plan and building design are also consistent with policies of the Local Coastal Program.
- For nonresidential projects, the project's location, size, height, operations, and other significant features and characteristics are compatible with and do not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, safety, and welfare. For residential projects, the project complies with the objective standards and requirements of the zoning district in which it is located, as well as any objective standards of any area plan or other regulatory document that applies to the area in which the project is located.
- For nonresidential projects, the project provides for an arrangement of uses, buildings, structures, open spaces, and other improvements that are compatible with the scale and character of the adjacent properties and surrounding neighborhood.
- The exterior design and appearance of buildings and structures and the design of the site plan shall be compatible with design and appearance of other existing buildings and structures in neighborhoods which have established architectural character worthy of preservation.
- Design of the site plan respects design principles in terms of maintaining a balance of scale, form and proportion, using design components which are harmonious, and materials and colors which blend with elements of the site plan and surrounding areas. Location of structures takes into account maintenance of public views; rooftop mechanical equipment is incorporated into roof design or screened from public rights-of-way to the extent possible. Utility installations such as trash enclosures, storage units, traffic-control devices, transformer vaults and electrical meters are accessible and screened.
- Where a site plan abuts, or is in close proximity to, uses other than that proposed, the plan shall take into account its effect on other land uses. Where a nonresidential use abuts or is in close proximity to a residential use, the effect of the site plan should maintain the residential quality of adjacent or nearby areas.

- To the extent feasible, the orientation and location of buildings, structures, open spaces and other features of the site plan maintain natural resources including significant trees and shrubs, minimize impacts to solar access of adjacent properties, and minimize alteration of natural land forms; building profiles, location, and orientation must relate to natural land forms.
- The site plan ensures that the scale, bulk, and setbacks of new development preserves important public views along the ocean and of designated scenic coastal areas. Where appropriate and feasible, the project shall restore and enhance visual quality of visually degraded areas.
- The site plan shall reasonably protect against external and internal noise, vibration and other factors which may tend to make the environment less desirable. The site plan should respect the need for privacy of adjacent residents.
- Building and structures shall be designed and oriented to make use of natural elements such as solar radiation, wind, and landscaping for heating, cooling, ventilation, and lighting.

## Planned Development

The purpose of the Planned Development permit is to provide more flexibility on particular parcels than what conventional zoning regulations allow for. Additionally, the intent of the application is to insure that:

- Planned development permits will be issued only where the subject parcel is large enough to make innovative and creative site planning possible (at least 20,000 square feet<sup>3</sup>);
- Applicants for planned development permits have the professional capability to produce a creative plan;
- The public's interest in achieving goals stated in the General Plan will be served more fully through the planned development process than through application of conventional zoning regulations;
- The advantages to landowners afforded by the planned development process will be balanced by public benefits; and,
- Natural or man-made features and resources of the site such as topography, trees, watercourses, and the like are preserved.

The City does not pre-zone parcels as Planned Development and development standards are not pre-established either. As this application provides property owners and developers with additional opportunities, it is not considered a constraint to residential development.

## Objective Development Standards

Senate Bill (SB) 35, SB 330, and SB 9, requires multi-family projects to be reviewed only against objective design and development standards. According to the Government Code (Sections 65913.4 and 66300[a][7]), objective development standards "involve no personal or subjective

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<sup>3</sup> Except for: 1) residential projects or mixed-use projects where all units are affordable according to City standards, the minimum land area must be the minimum lot area requirement of the district in which the project is located, or 2) applications involving conversions of cooperatives to condominiums, the minimum lot area must be the minimum lot area requirement of the district in which the project is located.



judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable” by development applicants and public officials before submittal of a project application. In other words, objective standards allow applicants to know the requirements that will apply to a proposed project so that they can design a project that meets those standards. Objective development standards can therefore make development more predictable and easier to interpret for all stakeholders, including decision makers, City staff, applicants, and members of the public.

While the City has many design guidelines that promote best practices, many are subjective or optional, and therefore cannot currently be enforced under State law. The adopted objective development standards work as a baseline, creating city-wide standards that apply to all new multi-family and mixed-use residential projects. The standards work in tandem with other City standards already in place, as detailed below:

- **General Plan** – The General Plan contains objective standards related to floor-area-ratio (FAR) and/or development density for all land uses in the City. The adopted objective development standards are consistent with the General Plan and dictate the bulk, mass, and design of buildings in a more fine-grained way than the General Plan.
- **Area Plans** – The Area Plans will continue to set a vision and best practices for specific geographic areas/neighborhoods in Santa Cruz. Where applicable, the objective development standards have drawn on standards and guidelines that exist in the Area Plans. Objective standards that exist in Area Plans will continue to apply. Objective standards can be identified in Area Plans by reviewing guidelines and standards for words like “must,” “shall,” “will” or “will not.”
- **Zoning** – The Zoning District Standards contain objective standards that define the building envelope such as setbacks, heights, parking, and open space requirements. These district-by-district standards will continue to dictate basic development standards, and the objective development standards will apply in addition to these requirements, providing refinement in terms of site and building design. In order to maximize opportunities for housing, zoning standards relating to required open space are proposed to be amended with the objective standards.
- **Other Municipal Code Sections** – The City also maintains and enforces standards related to stormwater drainage, roadway and traffic requirements, and standards for working within the public right of way to install sidewalks, street trees, and lighting. These standards will continue to apply, and City departments are evaluating the need to make some of the existing standards more objective in order to ensure they continue to apply in the necessary manner.
- **Building Standards Codes** – All construction in the State of California is subject to the California Building Standards Codes which dictate health, safety, and energy and water efficiency standards for new and remodeled structures. In Santa Cruz, the City’s Green Building Program also requires additional green building features of every new housing unit and requiring responsible disposal of construction waste products.

The adopted objective standards relate to building design and site design for new development and redevelopment projects (including all multi-family proposals that meet the definition of demolition in the Municipal Code). The standards are incorporated into Chapter 24.12.185 of the Santa Cruz Municipal Code as part of the City's zoning regulations – they are required of all new multi-family developments and may be waived or granted as a concession through a State Density Bonus application or other regulated process such as a variation for alternative design, a variance, or a Planned Development. Like other zoning standards, review for compliance takes place during the development review process, and ongoing maintenance of required conditions are a matter of code enforcement.

## Senate Bill 330

Senate Bill 330 (SB 330) seeks to address the California housing crisis and help meet the housing need by facilitating housing construction and protecting lower income residents from displacement over a ten year period by:

- Suspending enactment of local downzoning and housing construction moratoriums
- Requiring timely processing of housing permits following existing local zoning rules
- Lifting required parking minimums
- Eliminating certain fees on low income units
- Postponing requirements for voter approval of zoning, general plan changes
- Protecting rent controlled or Section 8 units from demolition
- Requiring resettlement benefits and first right of refusal in new units or compensation for rehousing for renters who may be displaced

California State Law requires that any proposal for a Housing Development Project<sup>4</sup> that includes the demolition of one or more existing housing units must include at least as many housing units as were demolished. (Government Code section 66300). All types of housing units, including single-family dwellings, accessory dwelling units and junior accessory dwelling units are included in this requirement and must be replaced, including unpermitted units if the unpermitted units are occupied or were occupied in the last five years. A proposal for demolition of a housing unit absent a Housing Development Project is still subject to replacement housing requirements, relocation assistance requirements, and offer to move requirements in the City of Santa Cruz Zoning Ordinance, Chapter 24.08, part 14. The local ordinance requires the replacement of housing when a project includes the demolition of three or more housing units. The ordinance section clearly establishes the process for determining if replacement housing must be made affordable and alternatives available, such as the payment of fees in-lieu of replacement units.

The City complies with the statutory requirements of SB 330.

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<sup>4</sup> A Housing Development Project consists of the construction of at least two residential units. The demolition and replacement of a single residential unit, such as a single-family residence, a townhouse, or an ADU, does not constitute a Housing Development Project.

## Senate Bill 35

Senate Bill 35 (SB 35), codified as Government Code Section 65913.41, was signed on September 29, 2017, became effective January 1, 2018, and will sunset on January 1, 2026. The intent of the Bill is to expedite and facilitate construction of affordable housing. SB 35 applies to jurisdictions that have not made sufficient progress towards meeting their affordable housing goals as mandated by the State. In an effort to meet the affordable housing goals, SB 35 requires jurisdictions to streamline the review and approval of certain qualifying affordable housing projects through a ministerial process.

When a jurisdiction has made insufficient progress towards their above moderate-income RHNA and/or has not submitted the latest Housing Element Annual Progress Report (APR) it is subject to the streamlined ministerial approval process for proposed developments with at least 50 percent affordability. The latest SB 35 Statewide Determination Summary for 2023 is based on 2022 APRs received by HCD as of June 1, 2023. The City submitted its APR to the State on April 1, 2023, and proceeded to meet its 5<sup>th</sup> Cycle RHNA on April 15<sup>th</sup>. As such, while the City did meet its 5<sup>th</sup> Cycle RHNA, it remains subject to SB 35 streamlined ministerial approval for proposed developments with at least 50 percent affordability. Required objective standards for SB 35 eligibility include all of the following:

- A multifamily housing development (at least two residential units) in an urbanized area;
- Located where 75 percent of the perimeter of the site is developed;
- Zoned or designated by the general plan for residential or mixed use residential;
- In a location where the locality's share of regional housing needs has not been satisfied by building permits previously issued;
- One that includes affordable housing in accordance with SB 35 requirements;
- Consistent with the local government's objective zoning and design review standards; and
- Willing to pay construction workers the state-determined "prevailing wage."

If a project is located in any of the following areas, it cannot qualify for SB 35 streamlining:

- A coastal zone, conservation lands, or habitat for protected species;
- Prime farmland or farmland of statewide importance;
- Wetlands or lands under conservation easement;
- A very high fire hazard severity zone;
- Hazardous waste site;
- Earthquake fault zone;
- Flood plain or floodway;
- A site with existing multi-family housing that has been occupied by tenants in the last ten years or is subject to rent control; or
- A site with existing affordable housing.

[Policy Objective 2.2h](#) is included in the [Policy Plan](#) to adopt review processes that meet the requirements established in Government Code Section 65913.41.

## 13. Development Fees

Residential developers are subject to a variety of permitting, development, and impact fees in order to access services and facilities as allowed by State law. The additional cost to develop, maintain, and improve housing due to development fees result in increased housing unit cost, and therefore is generally considered a constraint to housing development. However, fees are necessary to provide planning and public services, including necessary infrastructure, in Santa Cruz. All information regarding the City's development fees is available to the public on the City of Santa Cruz website as pursuant to Government Code §65940.1 (a)(1)(B).

The location of projects and housing types results in varying levels of development fees. The presumed total cost of development is also contingent on the project meeting City policies and regulations and the circumstances involved in a particular development project application. Some of the City planning fees, mainly for larger or more complex projects, operate on a deposit account basis where time and materials are charged against the established account as the project is processed. [Table E-8](#) provides the planning fees and [Table E-9](#) provides the development impact fees. The development fees associated with each project are dependent on the housing type, density, intensity of use, and location. In addition to these direct fees, the total cost of development is contingent on the project meeting the City's policies and standards, as well as the project applicant submitting necessary documents and plans in a timely manner.

In comparison to neighboring communities (Cities of Scotts Valley and Watsonville), the City of Santa Cruz has lower impact fees; planning processing fees in Santa Cruz are comparable to those of Scotts Valley – some applications are higher but some are lower. Permit application fees for the City of Capitola are lower than they are for the City of Santa Cruz, but due to differences in the size of the cities, capacity, and development activity, these differences do not indicate a constraint for residential development in Santa Cruz.

Table E-8: Planning Processing Fees	
Application Type	Fee
<b>Permit Applications</b>	
Appeals	\$741
Boundary Adjustment	\$1,725
Coastal Permit	\$2,174
Coastal Permit Exclusion	\$154
Design Permits:	
- Large House/Substandard Lot (Public Hearing)	\$3,397
- Remodel/Site Alteration (No Public Hearing)	\$2,174
- New Nonresidential/Residential	\$472/1,000 sq. ft.
Development Agreements	\$5, 829
Development Agreements – Annual Review	\$1, 252
Final Map Amendment	\$3,225
Final Subdivision Map	\$1,486
Fire Review Fee	\$128
General Plan/Zoning Map Amendment	\$6,222
General Plan Maintenance Fee (Non-ADU)	1.22%, \$250,000 maximum
General Plan Maintenance Fee (ADU)	0.61%, \$250,000 maximum
Modification to Approved Plans:	

Table E-8: Planning Processing Fees	
Application Type	Fee
- Minor	\$2,174
- Major	\$3,236
Planned Development	\$9,234
Police Review Fee	\$387
Pre-Application Review	\$3,495
Pre-Application Review (Planning Only)	\$692
Residential Short-Term Rental Permit	\$316
Specific Plan	\$6,622
Subdivision (Includes Condo Conversions):	
- 4 Lots or Less	\$9,453
- 5 Lots or More	\$18,978
- Plus per Lot	\$472
Time Extension	\$2,099
Use Permit: Administrative	\$3,118
Use Permit: Special	\$3,778
<b>Environmental Review</b>	
Archaeological Review	\$81
Biotic Review	\$159
Arborist Review	\$675
Categorical Exemption	\$154
EIR Review	25% of Consultant's Contract
Negative Declaration/Initial Study	\$5,538
Statutory Exemption	\$5,913
<b>Rental Inspection Program</b>	
Annual Registration Fee	\$60
Annual Self-Certification Fee	20% of the units at \$27 per unit
Annual Inspection Fee	\$27
Re-Inspection Fee	\$138 per hour
Source: City of Santa Cruz – July 2022 to December 2022 Fee Schedule.	

Table E-9: Development Impact Fees		
Development Fees	Per Dwelling Unit Max	Per Square Foot
Childcare Impact Fee		
- Single-Family Residential	\$339	\$0.592
- Multi-Family Residential	-	\$0.444
Public Safety Impact Fee: Fire		
- Single-Family Residential	\$841	\$0.56
- Multi-Family Residential	\$627	\$0.951
Public Safety Impact Fee: Police		
- Single-Family Residential	\$852	\$0.56
- Multi-Family Residential	\$635	\$0.96
Other Development Fees	Single-Family	Multi-Family
Santa Cruz School District Fees		
Residential	\$4.79 per sf	
Fire District		
Fire Impact Fee	\$1,317.97	\$935.33
Source: City of Santa Cruz 2023 Unified Master Fee schedule, Santa Cruz City Schools Developer Fee Rates 2021.		



A typical single-family development permit costs an average of \$45,581 for land use entitlements and development impact fees for a 2,500 square-foot home. This total includes sewer connection fees and traffic impact fees, which are not required for infill development with existing uses. Removing these fees would cut the cost to approximately half of the cost provided above.

In comparison, a typical multi-family development project cost around \$11,977 per unit for land use entitlements plus development impact fees. It should also be noted that not all single-family developments require land use entitlements; of the seven single-family permits issued last year, one required only a building permit with no land use entitlement permits.

Cost estimates are illustrative in nature and actual costs are contingent upon unique circumstances of individual development project applications. Considering the average cost of land in Santa Cruz (approximately \$219 per square foot of vacant land) and the ICC's estimate for cost of labor and materials (\$160.35 for single-family developments and \$144.50 for multi-family developments<sup>5</sup>), the combined cost of permits and fees would be approximately 3.1 percent of the direct cost of development for a single-family project on a 5,000 square-foot lot and 1.6 to 2 percent for a multi-family project on a 43,560 square-foot lot. Direct costs do not include building permit fees (which averaged around \$37,000 in 2022), landscaping, on-/off-site improvements, shell construction or amenities; therefore, the percentage of development and impact fees charged by the City may be smaller if all direct and indirect costs are included.

## **14. On-/Off-Site Improvements**

Site improvements in the City consist of those typically associated with development for on-site improvements (street frontage improvements such as curbs, gutters, and sidewalks, sewer/water hookups, on-site drainage, and landscaping), and off-site improvements to offset project impacts (off-site drainage, parks, traffic, schools, and sewer/water infrastructure). Because residential development cannot take place without the addition of adequate infrastructure, site improvement requirements are considered a regular component of the development of housing within the City and may also influence the sale or rental price of housing. Some of the costs associated with on- and off-site improvements are undertaken by the City and recovered through development and impact fees.

For single-family residential development on vacant land, examples of typical on-site improvements might include new curbs, gutters, and sidewalks, stormwater detention facilities (required by the Clean Water Act), and landscaping. Multi-family developments might also include common open space and recreation areas, emergency access drives, and lockable storage areas.

Typical off-site improvements for both single-family and multi-family developments might include: recreational trail facilities, road improvements and traffic control needed to serve the development, and street trees. Utilities may need to be updated or installed to serve the development, including water mains, sewer mains, stormwater pollution prevention measures, and undergrounding of electric utilities.

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<sup>5</sup> The cost of labor and materials is detailed in Section A.1 of this Appendix E and is not reflective of Santa Cruz data alone. As such, the cost may be higher.

Infill residential projects may be required to install any of the improvements listed above, depending on site-specific circumstances and neighborhood needs.

The City has standard improvements required for subdivisions that can be found in the City's Municipal Code. General improvements include the following:

- The thoroughfare and/or collector adjoining the proposed development shall be improved as approved by the City engineer. All lots created by a subdivision shall abut an improved street which is developed to City standards.
- At the time of the approval of the final map, City Council shall accept or reject any or all offers of dedication. As a condition precedent to acceptance of such dedications, the City Council shall enter into an agreement with the subdivider requiring that s/he shall improve the streets, easements, and other dedications in accordance with the standards established in the City's Municipal Code unless such streets, easements, and other dedications have already been improved.

The subdivider shall improve or agree to improve all streets, public and private, thoroughfares, public ways, or easements in, or adjacent to the subdivision as needed to meet the requirements of the Municipal Code. Specific design standards for streets can be found in the City's Municipal Code as well as Master Plans and Specific Plans on the City's website. While they do present an additional cost for development, the requirements are consistent with the region and do not present a constraint to the development of housing in Santa Cruz.

## **15. Building Codes and Code Compliance**

The City has adopted the 2022 California Building Code, including the ancillary information within the tables, attachments, addendums, and footnotes. This would include the California Administrative Code, Building Code, Residential Code, Electrical Code, Mechanical Code, Plumbing Code, Energy Code, Historical Building Code, Fire Code, Existing Building Code, Green Building Standards Code, and California Referenced Standards Code. The adoption California Building Code therefore ensures a consistent development standard that would be promoted throughout the State. The Code's intent is to safeguard the public health, safety, and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to firefighters and emergency responders during emergency operations.

The City has amended, modified, and deleted sections of the adopted building code to provide needed clarification and to improve existing codes. These adopted building code amendments expand on the minimum requirements to safeguard the public health, safety, and general welfare; however, they are not significantly different from the existing California Building Standards Code and therefore do not have any impact on housing production. Amendments were adopted as allowed for local climatic, geological, and topographic conditions to address and better protect against natural hazards. Increased standards may require developers to utilize materials that are more expensive than default materials. While material may be more expensive, most developers already utilize materials that exceed the minimum standards set by the building code

amendments. The City has not received complaints of burdensome building code requirements and does not see code amendments precluding development in Santa Cruz. Because the amendments are not significantly different from the existing California Building Standards Code, they do not significantly impact the cost and supply of housing in Santa Cruz. Amendments to the building codes can be found in Section 18.04.040 of the Santa Cruz Municipal Code.

## D. Infrastructure Constraints

Another factor that could constrain new residential construction is the requirement and cost of providing adequate infrastructure (major and local streets; water and sewer lines; and street lighting) needed to serve new residential development. In most cases, where new infrastructure is required, it is funded by the developer and then dedicated to the City, which is then responsible for its maintenance. Because the cost of these facilities is generally borne by developers, it increases the cost of new construction, with much of that increased cost often “passed on” in as part of home rental or sales rates. As virtually all new development within the City is infill development, new infrastructure is not generally required; however, larger and even some smaller projects may require infrastructure improvements or payment for future improvements.

### 1. Dry Utilities

Dry utilities include electric, telephone, TV, internet, and gas services. The various utility providers are responsible for providing these necessary resources to new housing units.

#### Electrical

Central Coast Community Energy (3CE) is the default service providing electrical energy in the City of Santa Cruz through PG&E infrastructure. 3CE supports clean and renewable energy and community reinvestment and provides access to 3CE Energy Program rebates and incentives. With 3Cchoice, the default program, 31% of the energy mix comes from eligible renewables (based on the California Renewables Portfolio Standard). 3CE and its customers are on a pathway to 100% clean and renewable energy by 2030 and 60% by 2025. Pacific Gas and Electric Company (PG&E) provides the electricity infrastructure, which is located aboveground on utility poles and belowground. The power mix delivered to customers includes the following greenhouse gas-free technologies:

- Eligible renewable resources, such as wind, geothermal, biomass, solar and small hydro (38.4 percent)
- Large hydroelectric facilities (11.6 percent)
- Unspecified Power (49.8%) (Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.)

#### Natural Gas

PG&E also provides natural gas services in Santa Cruz. As a public utility, PG&E is under the jurisdiction of the California Public Utilities Commission (CPUC) which regulates natural gas rates and natural gas services, including in state transportation over the utilities’ transmission and

distribution pipelines system, storage, procurement, metering, and billing. PG&E is responsible for providing service to residential, industrial, and commercial customers in Santa Cruz.

## **2. Water Supply**

The Santa Cruz Water Department serves a population of approximately 100,000 within a service area of approximately 30 square miles. This includes areas within City limits, Live Oak, portions of the City of Capitola, and along Highway 1 north of the City. The Department is responsible for providing a safe and reliable source of water to Santa Cruz households and maintains the City's water mains and underground valves. The City serves an average of almost 7.3 million gallons of water per day to the Department's service area. The City's latest Urban Water Management Plan, approved by the state in November 2021, demonstrates that the City has planned for water supply for all planned growth. As the state requires through the regular Urban Water Management Plan updates, the City is able to provide sufficient water capacity to accommodate the regional housing need.

### **Santa Cruz Water Source**

The City receives its water supply from four main supply sources: North Coast sources (including Laguna, Majors, and Reggiardo Creeks, and Liddell Spring), San Lorenzo River, Loch Lomond Reservoir, and Live Oak Wells. The City's supply of drinking water is primarily supplied through surface water collected through local rainfall. The City's only reservoir, Loch Lomond Reservoir, holds 2.8 billion gallons of drinking water supply from Newell Creek watershed and the San Lorenzo River, which is piped to the Graham Hill Water Treatment Plant. The rest of the City's supply comes from groundwater, all of which is extracted from the Beltz Well system in the Purisima Formation in the Santa Cruz Mid-County Groundwater Basin.

The City does not currently operate a recycled water system in its service area; however, the Pasatiempo Golf Course, located within the City's service area, now receives disinfected secondary effluent from the City of Scotts Valley that it treats to tertiary standards for use as irrigation.

### **Water Quality**

The Santa Cruz Water Department is responsible for providing residents with reliable, safe, clean, and potable domestic water supply. The Department is required to test the quality of the water it serves in order to guard the health of its customers and the general public. Federal, State, and local agencies all have a role to play in setting water quality standards. Water quality samples results are compiled in monthly reports and forwarded to the State Water Resources Control Board, Division of Drinking Water.

The Santa Cruz Municipal Utilities (SCMU) assists customers with any questions regarding water quality, water pressure, consumption usage, any concern with water meters, leak detection, utilities inspections and underground utility locating. The City's Water Systems Department webpage provides tips and information for proper water systems care for property owners as well as additional resources.

## Water Demand

Santa Cruz's drinking water is supplied primarily through surface water collected from local rainfall. Almost 100,000 people rely on the Santa Cruz Water Department for water service. The City operates a system that includes more than 300 miles of pipes to bring water to customers, pumps and lift stations to move water where it is needed, and both an untreated water storage reservoir that captures the City's water supply before the water is purified and multiple treated water storage tanks that send it to consumers' faucets.

In 2020, the City's total water demand was approximately 2,606 MGY of potable water. The City's single-family and multi-family residential usage was projected at 1,540 MGY in 2020, with an estimated increase by 3 percent through 2045.

The City's newly adopted Securing Our Water Future policy, has supply augmentation as its focus because, given the already highly efficient level of water use by most customers, demand reduction through mandatory restrictions or water rationing are no longer relatively low cost and simple to implement solutions. The policy establishes both a supply reliability goal of planning for climate change conditions and meeting customer water demand given the assumption of ongoing water use efficiency. Growth in water demand has only a marginal impact on overall water system demand. Climate driven supply variability in which there is an increase in the frequency and length of back-to-back droughts is making the system's long-standing vulnerability to droughts a critical priority for action.

## Wastewater

The Santa Cruz Public Works Department regularly maintains and improves the City's public sanitary sewer system. The Wastewater Treatment Facility provides sanitary sewer services and maintains the sewer main lines.

The Public Works Department's main wastewater responsibilities include:

- 24-hour emergency response;
- Line construction and repair of sewer and storm piping systems and manholes;
- Inspection and repair of sewer and stormwater pumping stations including river flood control slide gates and discharge valves;
- Preventative and emergency sewer and storm line hydro flushing;
- Closed Circuit TV inspection of collection system to determine Capital Improvement Project and maintenance needs;
- Operation and maintenance of Sanitary Landfill Lechate Pumping Facility and 2.5 miles of Lechate force main.

Adequate Wastewater Treatment Facility capacity is available to serve the planned Regional Housing Needs Allocation for the City. Sufficient conveyance capacity is typically available for new projects; however, as projects are proposed, evaluation of the sanitary sewer collection system pipe capacity is conducted, and conveyance upgrades are initiated in coordination with the developer, if necessary.



### 3. Fire and Emergency Services

Fire services are provided by the Santa Cruz Fire Department, which has four fire stations and one lifeguard headquarters. The Fire Department is a full-service agency providing fire suppression, fire prevention, emergency medical, rescue, ambulance transport, and public education programs. The Fire Department provides the following services:

- Structure Fire Suppression
- Wildland Fire Suppression
- Emergency Medical Services (Paramedic)
- Hazardous Materials Incident Response
- Marine Rescue Services
- Technical Rescue

In 2021, the Fire Department received 8,701 calls for service, a 12.3 percent increase from 2020. The Fire Department also conducted 661 life safety inspections in 2021.

#### Emergency Medical Services (EMS)

The Fire Department is responsible for keeping up with emergency medical mandates, equipment, and program development for both advanced and basic life support education and training. Every firefighter in the district has some level of EMS training, which requires recertification and continued education.

Santa Cruz Regional 9-1-1 (NetCom) was created in 1996 as a Joint Powers Authority (JPA) to provide public safety and 9-1-1 dispatch services for Santa Cruz County Sheriff's Office, Santa Cruz Police and Fire Departments, Watsonville Police and Fire Departments, and Capitola Police Department. Along with these "owners" of the JPA, NetCom also provides services to all the Fire Districts in Santa Cruz County and American Medical Response (the local paramedic and ambulance transport provider). In 2021, NetCom received 521,702 total calls for emergency and non-emergency assistance.

#### Community Emergency Response Team (CERT)

The Community Emergency Response Team (CERT) Program educates people about disaster preparedness for hazards that may impact their area and trains them in basic disaster response skills, such as fire safety, light search and rescue, team organization, and disaster medical operations. Using the training learned in the classroom and during exercises, CERT members can assist others in their neighborhood or workplace following an event when professional responders are not immediately available to help. CERT members also are encouraged to support emergency response agencies by taking a more active role in emergency preparedness projects in their community. The Fire Department offers CERT training for community members interested in this type of community service.

### 4. Police Services

The Santa Cruz Police Department (SCPD) serves the City's 63,789 residents over 12.7 square miles. In 2015, SCPD issued its first annual report. At the time of release of the report, the police department had 119 employees, 94 sworn police officers, and 25 non-sworn civilian staff. SCPD

works diligently to meet the unique challenges of public safety in a city that plays host to a large tourist population, special events, and seasonal attractions. With a finite number of resources, the city is divided into five “patrol beats:” West, East, Beach, Central, and Downtown. The beats are designed to maximize coverage and provide efficient response to calls for service.

Additionally, SCPD includes three Neighborhood Policing Team (NPT) zones within the City. The NPTs put more SCPD personnel on the streets to increase community policing and activate crime-fighting strategies. SCPD officers are an integral part of their neighborhoods and, in partnership with the community, look to tackle the underlying causes of crime and safety issues and put sustainable solutions in place. NPT is designed to address the distinct needs of each community. The plan brings together community engagement, crime data, and police services.