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W17a

May 22, 2003

TO: Commissioners and Interested Persons

FROM: Charles Lester, Deputy Director
Diane Landry, District Manager
Susan Craig, Coastal Planner

SUBJECT: **CITY OF SANTA CRUZ: LOCAL COASTAL PROGRAM MAJOR AMENDMENT NO. 1-02 (Part B).** For public hearing and Commission action at its meeting of June 11, 2003, to be held in Long Beach at the Queen Mary, 1126 Queens Highway, Long Beach, CA 90802.

SYNOPSIS

The City of Santa Cruz is proposing to amend the Implementation Plan (Zoning Ordinance) of the Local Coastal Program to: 1) create a West Cliff Drive Overlay District to establish development standards and Design Permit requirements for structures in this overlay district; 2) clarify the requirements for the development of Single Room Occupancy (SRO) residential units; 3) amend the Downtown Recovery Plan to establish development standards and design guidelines for the Central Business District, and; 4) create an Administrative Historic Alteration Permit for minor alterations to historic structures.

This amendment constitutes the majority of a larger amendment submittal. The Planning Commission and the City Council held noticed public hearings regarding the amendment components. The Commission approved part A of the amendment submittal, regarding nonconforming uses and solar panels, at the May 2003 hearing.

SUMMARY OF STAFF RECOMMENDATION

Staff has reviewed the proposed amendments to the Zoning Ordinance for consistency with the certified Land Use Plan. Issues raised by the proposed amendments include protection of public views and parking requirements. As discussed in detail below, Staff recommends **approval** of Zoning Ordinance Major Amendment No. 1-02 (Part B), with modifications.

ANALYSIS CRITERIA

The relationship between the Coastal Act and a local government's Local Coastal Program (LCP) can be described as a three-tiered hierarchy with the Coastal Act setting generally broad statewide policies. The Land Use Plan (LUP) portion of the LCP incorporates and refines Coastal Act policies for the local jurisdiction, giving local guidance as to the kinds, locations, and intensities of coastal development. The Implementation Plan (IP), or zoning portion of an LCP typically sets forth zone districts and site regulations which are the final refinement specifying how coastal development is to proceed on a particular parcel.

The IP must be consistent with, and adequate to carry out, the policies of the LUP. The LUP must be consistent with the Coastal Act.

In this case, the proposed LCP amendment affects only the IP (Zoning Ordinance) component of the City of Santa Cruz LCP. Thus the standard of review for the amendment is consistency with the policies of the LUP.

ADDITIONAL INFORMATION

Further information on the submittal may be obtained from Susan Craig at the Central Coast District Office of the Coastal Commission at 725 Front Street, Suite 300, Santa Cruz, CA 95060, (831) 427-4863.

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I. STAFF RECOMMENDATION: MOTIONS AND RESOLUTIONS

Staff recommends adoption of the following resolution:

Resolution I. (Resolution to approve City of Santa Cruz Implementation Plan Major Amendment No. 1-02 (Part B) as submitted)

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the Implementation Plan amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

> ***Motion.*** *I move that the Commission* ***reject*** *Major Amendment #1-02(Part B) to the City of Santa Cruz Local Coastal Program Implementation Plan as submitted.*
>
> ***Resolution to reject.*** *The Commission hereby* ***rejects*** *certification of Major Amendment #1-02 (Part B) to the Implementation Plan of the City of Santa Cruz Local Coastal Program, as submitted, and adopts the findings set forth below on grounds that the Implementation Plan, as submitted, is not in conformity with the certified Land Use Plan. Certification of the Implementation Plan amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would*

substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan amendment as submitted.

Resolution II. (Resolution to approve City of Santa Cruz Implementation Plan Major Amendment No. 1-02 (Part B), if modified)

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the Implementation Plan amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion. *I move that the Commission* ***certify*** *Major Amendment #1-02(Part B) to the City of Santa Cruz Local Coastal Program Implementation Plan if modified as suggested by modifications #1-2 in this staff report.*

Resolution to certify. *The Commission hereby certifies Major Amendment No. 1-02 (Part B) to the Implementation Plan of the City of Santa Cruz Local Coastal Program, as modified by suggested modifications #1-2, and adopts the findings set forth below on grounds that the Implementation Plan amendment with the suggested modifications will be in conformity with and adequate to carry out the certified land use plan. Certification of the Implementation Plan amendment, if modified as suggested, complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Plan amendment on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.*

II. SUGGESTED MODIFICATIONS

The Commission hereby suggests the following changes to the proposed Local Coastal Program amendments, which are necessary to make the requisite findings. If the local government accepts the suggested modifications within six months of Commission action, by formal resolution of the City Council, the corresponding amendment portion will become effective upon Commission concurrence with the Executive Director finding that this has been properly accomplished.

Note: The Commission-suggested modifications are shown by deleting existing text with ~~strikethrough~~ and adding text with <u>underline.</u>

<u>Modification #1</u>

Amend Zoning Ordinance Section 24.22.438 (Historic Alteration Project, Minor) as follows:

> A small project involving an historic building located on the city's Historic Building Survey or within an historic district but not including a landmark building. Such projects include, but are not limited to, ~~re-roofing, gutter and downspout replacement, and window replacement projects~~ <u>the replacement, addition or deletion of windows and doors and minor additions/alterations to the rear of the property,</u> as approved or amended by resolution of the historic preservation commission.

<u>Modification #2</u>

Add Historic Preservation Commission (HPC) Resolution No. 02-001, regarding policy direction for minor historic alteration projects which may be approved under administrative historic alteration permit regulations, to the LCP. See Exhibit 7 for full text of HPC Resolution 02-001.

III. FINDINGS AND DECLARATIONS

The Commission finds and declares as follows:

A. West Cliff Drive Overlay District & Design Guidelines

The following City of Santa Cruz LCP policies provide for the protection of important public views and require design standards for development in visually important areas:

> **Community Design Policy 2.1.3:** *Protect the Monterey Bay National Marine Sanctuary and the shoreline and views to and along the ocean, recognizing their value as natural and recreational resources.*
>
> **Community Design Policy 2.2:** *Preserve important public views and viewsheds by ensuring that the scale, bulk, and setback of new development does not impede or disrupt them.*
>
> **Community Design Policy 2.2.1:** *Develop siting, scale, landscaping and other design guidelines to protect visually sensitive areas and ensure that development is compatible with the character of the area. Areas to be protected include:…scenic coastal areas…*
>
> **Community Design Policy 2.2.2:** *Identify important vistas and view corridors of community-wide value to be preserved and require development to provide visual and physical breaks to allow access to these areas.*
>
> **Community Design Policy 3.6:** *In pedestrian areas, require building design to be responsive to the pedestrian environment. These areas include but are not limited to … the… shoreline…*
>
> **Land Use Policy 1.6:** *Minimize, when practical, obstruction of important views and viewsheds by new development. In the Coastal Zone, development shall be sited and designed to and along the ocean and in scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and to restore visual quality in visually degraded areas.*
>
> **Land Use Policy 3.5.1:** *Protect coastal bluffs and beaches from intrusion by non-recreational structures and incompatible uses and along the shoreline require new development or remodeling to be sited and designed so as to avoid a "wall" of buildings.*
>
> **Parks and Recreation Policy 1.7.6:** *Develop and implement an integrated design, land use, recreation, cliff stabilization, and landscaping plan for West Cliff and East Cliff Drives to enhance public access, safety, and recreational enjoyment in these areas.*

The City of Santa Cruz is proposing to amend the certified Zoning Ordinance to add a West Cliff Drive Overlay District that applies to properties in the R-1-5 zoning district on West Cliff Drive between Bay Street and Swanton Blvd., as well as properties on intersecting streets generally within 100 feet of West Cliff Drive (see Exhibit 1 for map). The amendment would establish development standards (height limitations, setbacks, floor area ratio limitations, building envelopes) and require a design permit for structures in this overlay district (see Exhibit 2 for full text of the amendment). The standards are intended to control the bulk, massing, and configuration of homes on West Cliff Drive in order to preserve public views, including streetscape views and views of the ocean and the sky from West Cliff Drive and streets that intersect West Cliff Drive. The City applies design standards and design permit requirements to other specific areas of the City including Beach Hill, Beach Flats, and the Beach Commercial and South of Laurel areas.

The 2.5-mile stretch of West Cliff Drive is a highly scenic route that is popular for residents and visitors alike. The City's LCP recognizes the importance of West Cliff Drive and its streetscape as an important part of the public viewshed. LCP Community Design Map 3 defines West Cliff Drive as a scenic drive. In recent years, there have been a number of proposals to build very large homes along West Cliff Drive. The residential development along the inland side of West Cliff Drive has the potential to negatively impact public views through the development of a continuous "wall of buildings" constructed to the current zoning limits, which would be detrimental to the West Cliff Drive experience. The provisions in the amendment will set specific standards for development along West Cliff Drive, including a building envelope from the front and rear of the lot with an overall maximum height in the middle of the lot, specific building setback requirements, a floor area ratio to relate the amount of building developed on a lot to the lot size, a maximum building height of two stories and 30 feet, off-street parking requirements to minimize the visual impacts of automobiles, and front yard landscaping and paving requirements (see Exhibit 2 pp. 6-10 for specific West Cliff Drive Overlay regulations). These standards in the amendment will allow development that is reasonable in size and scale to the lots along scenic West Cliff Drive, and positive to the surrounding public area.

The Community Design and Land Use policies of the City of Santa Cruz LCP call for the protection of important public views and viewsheds to and along the ocean and also allow for development of design guidelines and other standards to ensure that development is visually compatible with the character and scenic value of the surrounding area. The proposed amendment provides development standards adequate to implement the land use policies. Staff recommends approval of the amendment as submitted.

B. Single Room Occupancy Units

The following City of Santa Cruz LCP policies encourage creative infill development that provides incentives for alternative transportation:

> **Housing Policy 5.3.3:** *Reduce parking and other requirements for developments that reduce living cost by emphasizing shared facilities and alternative transportation. Examine the needs for deed restrictions and permit parking in such developments to ensure that parking does not become a problem.*
>
> **Community Design Policy 1.1:** *Infill and intensify land uses consistent with existing*

neighborhood or commercial district patterns in developed areas currently served by municipal services.

Community Design Policy 1.1.1: *Focus development in the Central Core, and along arterial and mass transit corridors.*

Community Design Policy 1.1.2: *Develop design criteria to ensure compatibility of infill development with existing neighborhoods and proposed development patterns (including intensities and land uses).*

Land use Policy 2.6.4.3: *Allow and encourage residential development in non-residential districts and develop appropriate design guidelines and incentives for this type of development.*

Land Use Policy 2.9.1: *Identify areas where mixed-use development opportunities exist and develop appropriate guidelines and incentives to encourage that type of development.*

Land Use Policy 5.3: *Provide for high-density development and mixed uses, where appropriate, as well as transit- and pedestrian-oriented land use patterns to reduce dependence on the automobile and support the use of mass transit and other alternative transportation modes.*

Circulation Policy 1.7.1: *Reduce automobile parking requirements for developments/land uses that provide effective incentives for alternative transportation (mixed-use/neighborhood commercial areas, bus passes, subsidies, preferential carpool parking and shuttle services) and investigate ways to mitigate potential impacts on neighborhoods, possibly through residential parking permit programs.*

The City of Santa Cruz is proposing to amend the certified Zoning Ordinance to clarify the requirements for the development of Single Room Occupancy (SRO) residential units. SROs are residential units of a smaller size than normally found in multiple dwellings, in which sanitary facilities and kitchen/cooking facilities may be provided within the unit or may be shared among units. The amendment addresses development standards including unit size, common area requirements, parking, and unit amenities. The amendment eliminates SROs as an allowable use in three zoning districts: R-H (Multiple Residence/High Density), R-T(B) (Motel/Residential), and C-B (Beach Commercial). Additional criteria are established for SRO's in the I-G (General Industrial) zoning district. See Exhibit 3 for full text of the amendment.

The City wishes to amend the existing zoning standards for SROs to fully address impacts such as density, neighborhood compatibility, and parking. The existing ordinance requires 0.5 parking spaces per SRO unit. Given that automobile ownership in SRO developments is typically higher than this (e.g., 2/3 of the residents of the Saint George, an SRO residential building in Santa Cruz, own automobiles), the amendment would increase the parking requirement to 1.0 space for units 220 square feet or larger, and to 0.75 spaces for units smaller than 220 square feet. The amendment would allow these parking requirements to be reduced by 0.25 spaces per unit to reflect location factors affecting automobile ownership, such as proximity to public transportation or availability of alternative parking facilities. This is consistent with certified Housing Policy 5.3.3 and Circulation Policy 1.71, which allow for reduced parking requirements for developments that emphasize shared facilities and alternative transportation.

SROs would continue to be an allowable use in the C-C (Community Commercial) and CBD (Central Business District) zoning districts. These zoning districts are located in the central core of the City, along major arterial and mass transit corridors and near grocery stores and other amenities. The amendment, however, would eliminate SRO developments in the R-H (Multiple Residence/High Density), R-T(B) (Motel/Residential), and C-B (Beach Commercial) zoning districts of the City. These zoning districts tend *not* to be within easy walking distance of amenities such as full service grocery stores, which are desired to support successful SRO use. In addition, efficiency apartments, which have a minimum of 220 square feet, already provide for smaller unit sizes in the R-H zoning district. Disallowing SROs in these zoning districts is consistent with the City's Community Design policies, which call for infill and focused development in the central core of the City and along arterial and mass transit corridors. Under the amendment, SROs would continue to be an allowable use in I-G zoning district subject to certain conditions, including that the site is located within one-quarter mile of a grocery store and is part of a mixed-use development, consistent with Land Use policy 2.9.1.

The Housing, Community Design, Land Use, and Circulation policies of the City of Santa Cruz LCP provide for infill development in the City's core and along major transportation corridors and allow for a reduction in automobile parking requirements for mixed-use developments and those that provide for alternative transportation. The proposed amendment provides standards for Single Room Occupancy units that are adequate to implement the land use policies. Staff recommends approval of the amendment as submitted.

C. Downtown Recovery Plan

Applicable City of Santa Cruz LCP design and development policies regarding the City's Downtown include:

> **Community Design Policy 1.1:** *Infill and intensity land uses consistent with existing neighborhood or commercial district patterns in developed areas currently served by municipal services.*
>
> **Community Design Policy 1.1.1:** *Focus development in the Central Core, and along arterial and mass transit corridors.*
>
> **Community Design Policy 2.2:** *Preserve important public views and viewsheds by ensuring that the scale, bulk, and setback of new development does not impede or disrupt them.*
>
> **Community Design Policy 3.4:** *Develop and maintain physical and visual linkages between key areas in the City.*
>
> - *Downtown – South of Laurel – Wharf – Beach*
>
> **Community Design Policy 3.6:** *In pedestrian areas, require building design to be responsive to the pedestrian environment. These areas include, but are not limited to, Downtown…*
>
> **Community Design Policy 3.7:** *Require development to incorporate features to promote pedestrian use including new linkages to the pedestrian system.*

Land Use Policy 2.6.3: *Prioritize development of high-density mixed residential and commercial development in the City's Downtown Central Business District…*

Land Use Policy 2.6.3.1: *Use the high-density residential (overlay) district in areas of the North River Street… and…Downtown [areas which have] sufficient services.*

Land Use Policy 2.9.1: *Identify areas where mixed-use development opportunities exist and develop appropriate guidelines and incentives to encourage that type of development.*

Land Use Policy 5.3: *Provide for high-density development and mixed uses, where appropriate, as well as transit- and pedestrian-oriented land use patterns to reduce dependence on the automobile and support the use of mass transit and other alternative transportation modes.*

The City of Santa Cruz is proposing to amend Chapter 4 of its Downtown Recovery Plan, which is incorporated into the Zoning Ordinance by reference. The Downtown Recovery Plan was developed after the 1989 Loma Prieta earthquake, which virtually decimated the City's Central Business District. The purpose of the Downtown Recovery Plan was to provide a coherent framework for public and private actions related to the rebuilding of downtown Santa Cruz after the earthquake and to establish policies, standards, and guidelines to direct the recovery process toward the rebuilding of downtown that would meet multiple community objectives. A small portion of the Downtown Recovery Plan area is in the coastal zone (see Exhibit 4 for map).

Since the Downtown Recovery Plan was adopted in 1991, the downtown area has been redeveloped into a healthy and attractive mixed-use neighborhood that reflects an appropriate scale and density, features streetscape amenities that are pedestrian-friendly while accommodating vehicular and bicycle parking, and provides a diverse set of shopping/entertainment and public gathering experiences. To make the downtown area fully functional for all aspects of the Santa Cruz community, the amendment provides for development of a greater mix of businesses to make the downtown an efficient, self-sufficient shopping district for those who live and work in the City, as well as those within the region who come to downtown for entertainment or as a gathering place. In addition, the amendment refines the height, bulk, and streetscape requirements in the downtown area and provides revised development and design standards for gateways into the downtown area to create a welcoming visual environment into downtown Santa Cruz. Please see Exhibit 5 for the full text of the amendment.

The Community Design and Land Use policies of the City of Santa Cruz LCP provide for the development of high-density mixed residential and commercial development in the City's Downtown Central Business District. These policies also require that development incorporate features to promote pedestrian use, and require the development and maintenance of physical and visual linkages between key areas in the City. The proposed amendment provides design and development standards for the downtown area that are adequate to implement the land use policies. Staff recommends approval of the amendment as submitted.

D. Administrative Historic Alteration Permit

The following City of Santa Cruz LCP policies provide for the protection and rehabilitation of historic buildings in the City of Santa Cruz:

Cultural Resources Policy 2.1: *Protect and encourage restoration and rehabilitation of historic and architecturally significant buildings and landmarks.*

Cultural Resources Policy 2.3: *Ensure that City administrative and review procedures effectively recognize and protect historic and architectural resources and coordinate preservation activities with local, State, and federal agencies.*

Community Design Policy 3.5: *New or renovated development shall add to, not detract from City-identified landmarks, historic areas and buildings, and established architectural character worthy of preservation.*

The City of Santa Cruz is proposing to amend the certified Zoning Ordinance to create an Administrative Historic Alteration Permit for the review and approval of minor alterations to historic buildings (see Exhibit 6 for amendment text). Currently, modifications to historic buildings in the City require a public hearing (except for re-roofing and gutter and downspout replacement, which are evaluated under a building permit), even if the proposed modification is minor in nature. Under the Administrative Historic Alteration Permit, the Zoning Administrator would approve minor modifications (such as window and door replacement) to historic buildings without a public hearing. Such approval would be appealable to the Historic Preservation Commission and to the City Council. The Administrative Historic Alteration Permit would streamline the permitting process for minor alterations to historic structures and would be consistent with the design permit process for similar-sized projects on non-historic buildings.

The amended definition regarding what constitutes a minor historic alteration project includes re-roofing and gutter and downspout replacement (see Exhibit 6, pg. 4). Since this definition was approved by the City Council, the Historic Preservation Commission (HPC) has amended its policy direction regarding which types of minor historic alterations may be approved under the administrative historic alteration permit (see Exhibit 7). Thus, the submitted definition is no longer accurate. Modification **#1** amends the minor historic alteration definition to be consistent with the HPC's current policy direction, which includes replacement of windows and doors and minor additions/alterations to the rear of the property. In addition, **Modification #2** incorporates the HPC's current policy direction regarding what constitutes a minor historic alteration project into the LCP. In the future, if the HPC further amends its policy direction regarding minor historic alteration projects, the City will need to apply for an LCP amendment. With these modifications, the proposed Zoning Ordinance amendment is consistent with the City of Santa Cruz LCP policies provide protection for historic buildings.

IV. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Coastal Commission's review and development process for Local Coastal Programs and amendments to them has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Therefore, local governments are not required to undertake environmental analysis on LCP amendments, although the Commission can and does utilize any environmental information that the local government has developed. Approval of the amendments, as modified, will not have significant environmental effects, consistent with the California Environmental Quality Act.