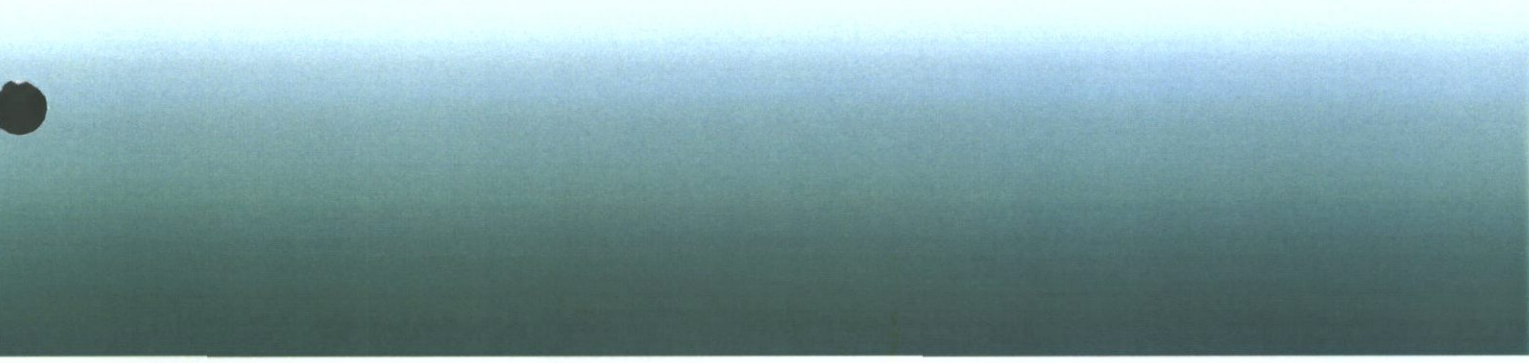


SECTION I

BEACH AREA



I. BEACH AREA: OVERVIEW

I. OVERVIEW : BEACH AREA

A. SUMMARY

The Beach Area is the jewel in the crown of the City of Santa Cruz. It is the center of the City's most spectacular physical assets: a stunning white sand beach on the shores of the Monterey Bay; a half-mile long historic Wharf; the historic promontories of Beach Hill and West Cliff; the mouth of the San Lorenzo River; and the location of one of the last remaining Pacific Coast Amusement Parks in America.¹ It is home to 2700 permanent residents.

The physical and historical assets are of enormous importance in planning for this area. In order to protect the quality of its neighborhoods, preserve the 19th Century origins of the area, and to enhance the vigor of its 21st Century economy, this Plan identifies a series of growing pressures on the Beach area which need to be addressed.

1. Background

The original Nineteenth Century investors and home owners in the Beach area made no small plans. From the beginning, they were captivated by the magnificence of the location and responded with buildings of grandeur and scale. They recognized the opportunity provided by the crests of Beach Hill and the sweep of West Cliff to construct a processional of grand mansions which gradually stepped down toward the Bay.

They made it their business to invite families and vacationers to share the natural wonders of the Beach, the Bay and the San Lorenzo River. To make visits affordable, they constructed "tent cities" and "cottage cities" at the same time they were building grand hotels.

Recreation at the Beach has always been marked by both a sense of panache and playfulness. The tent city was composed of "200 brightly colored, canvas-striped tents," and the later cottages which replaced them were supposedly painted in such a way that they produced a "rainbow effect when viewed from the hills."²

The grand hotels, on the other hand, incorporated large porches, discrete balconies, scented gardens and pedestrian walkways to the Beach.

There is no doubting the good business sense of these early Beach investors who seemed to combine a spirit of daring with an instinctive sense of promotionalism. Yet, perhaps the most distinctive quality of this California ocean resort was the open delight of visitor and resident alike in its rich and colorful natural assets. Early histories speak of camping by the River, swimming in the indoor seawater pool at the Dolphin Bathhouse, taking "the Plunge" in the chilling waters of the Bay, and boating on the San Lorenzo.³



Tent City located on current Main Beach Lot

¹ The Santa Cruz Boardwalk was designated a California State Historic landmark in 1989. Two of the Boardwalk's attractions - the 1924 Giant Dipper roller coaster, and the 1911 Loeff Carousel are National Historic Landmarks.

² City of Santa Cruz, *Beach Area Plan*, (1980), p.6.

119 - BEACH HOTEL FROM THE CASINO, SANTA CRUZ, CALIFORNIA.



Perhaps the best example of this was illustrated by the famous “Venetian Water Carnivals” which began attracting thousands from San Francisco to the banks of the San Lorenzo around the turn of the century. Fred Swanton, Santa Cruz’s greatest early entrepreneur, builder of the Boardwalk and Casino, developer of the tent city, cottage city and the Casa del Rey, dammed the mouth of the San Lorenzo River and staged four days of decorated boat parades, water sports and an early version of water olympics. The night was filled with lights, ballroom dancing and fireworks.

2. Looking Toward the Future

It is important to understand the Beach area’s history in planning for the future. For strong residential neighborhoods were the basis and beginning for early visitor attractions. The conservation and enhancement of these neighborhoods is central to this planning study and to the future of the Beach area.

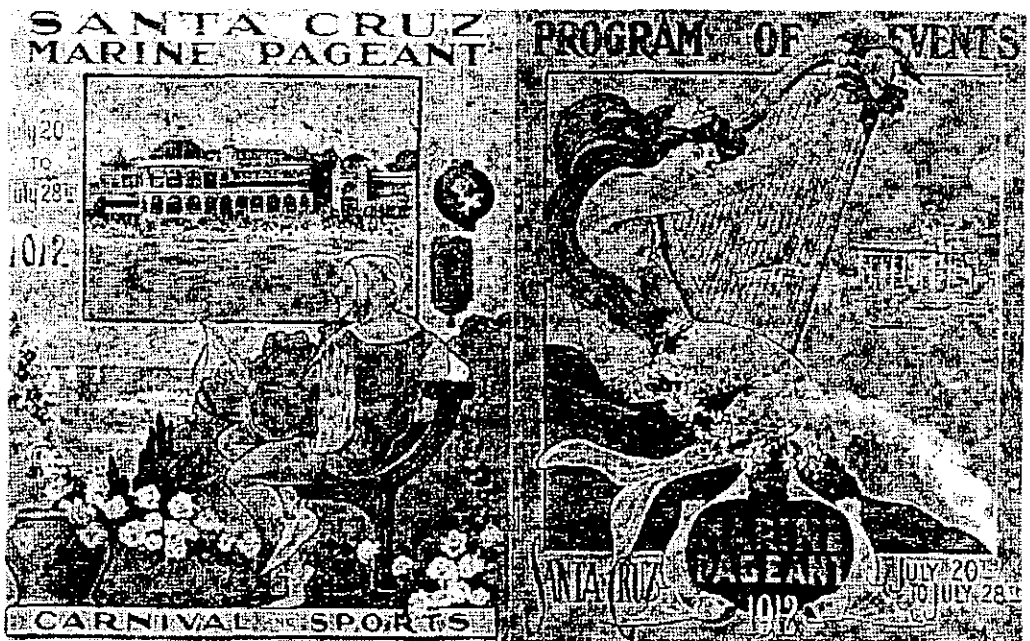
The foundation of the Beach’s economy has always been the successful mixing of business with pleasure, and the creative linking of splendid natural resources with structures and events.

Over the years, the exuberance and larger vision of the past has been somewhat muted. Cottage City has become Beach Flats, a neighborhood tucked between the Boardwalk and the River with major opportunities and constraints. And many of the elegant, large scale resort hotels such as the Sea Beach and the Casa del Rey no longer exist. In their place are smaller motels, many dating from the 1940s and 50s, which give no indication of the area’s earlier attractiveness. Reminders of this past are still present however in the grand Victorians which characterize much of Beach Hill.

³ Ross E. Gibson, a member of the Santa Cruz Historic Preservation Commission has produced two marvelously illustrated histories of this period. *History & Future of the Santa Cruz Waterfront*, 1997; and *Empire of the Casa del Rey*, 1997.

Having weathered many years of uncertainty about its future, the Beach area is now poised for a physical renaissance. Timing is excellent. The City has emerged successfully from the major challenge of rebuilding its downtown after the devastating effects of the Loma Prieta earthquake and has focused its attention on the Beach and South of Laurel areas through a series of intensive planning efforts. The results of these efforts are incorporated in the recommendations which follow and have already stimulated significant private development interest.

This planning process provides the City and the citizens of Santa Cruz the timely opportunity to recapture the best of the past as they put in place policies designed to change the investment climate in the Beach area. This *Comprehensive Area Plan for the Beach & South of Laurel* responds to this need and develops a series of implementable strategies to preserve and protect the residential quality of life in the Beach area while encouraging a vital and vigorous economy.

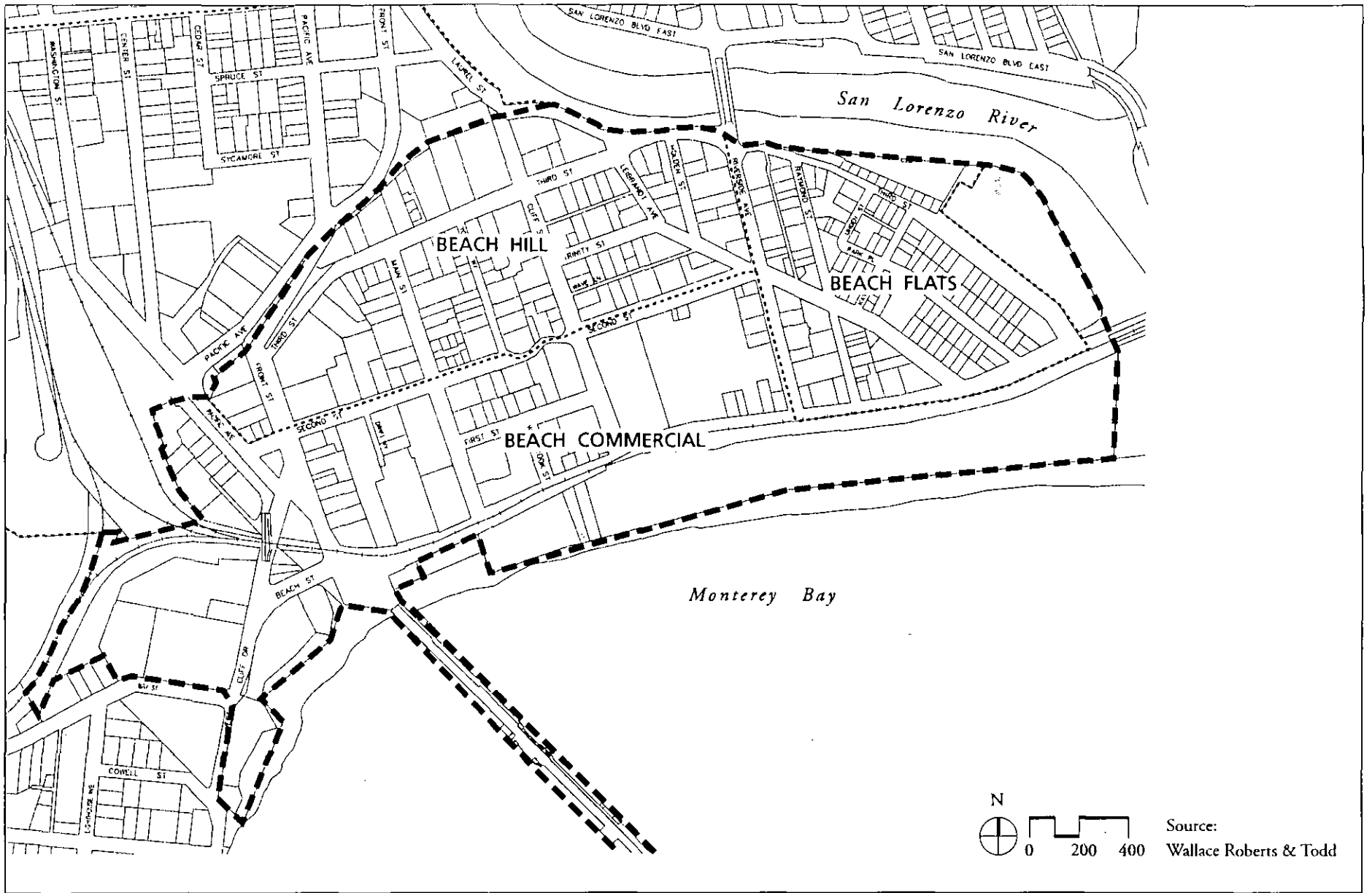


B. THREE PLANNING AREAS

The Beach Area is a remarkable physical and social microcosm that is approximately 125 acres in size and is home to nearly 2700 permanent residents. Within the boundaries of this area are three distinct planning subareas totaling approximately 125 acres [See following map]. They are (1) the Beach Flats, (2) Beach Hill, and (3) Beach Commercial area which for the purpose of this study includes the 10 acre Municipal Wharf.⁴ The boundaries of the Beach Area are defined by the Monterey Bay to the south; Bay Street and West Cliff to the west; the San Lorenzo River to the east and north; and the bluff of Beach Hill to the north.

Each of these three planning areas is distinguished by physical characteristics and topography, their social and economic conditions, and their distinctive history and land use. Although they developed essentially concurrently, they each evolved in different ways. While each is

⁴ The 1980 *Beach Area Plan* carried out a specific design study of the Wharf at the direction of the Council and therefore treated it as a separate planning area. The 1996 *Beach Area Plan Strategy* did not specifically address issues related to the Wharf.

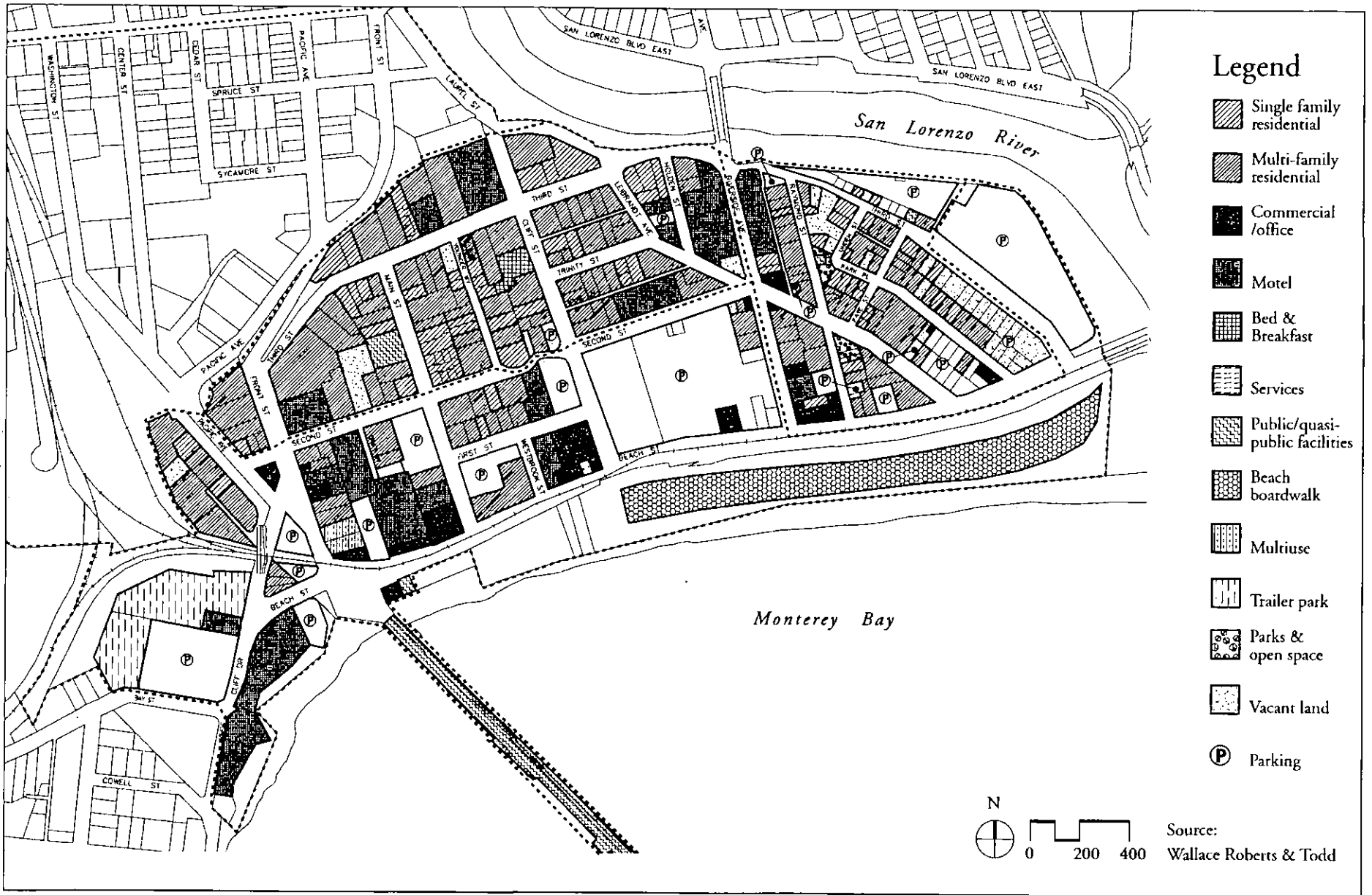


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City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 2

Beach Area Base Map



The Phipps Group

City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 3

Beach Area Land Use

unique, they are also intimately connected. Their futures are as tightly interwoven as are their pasts. To ignore this reality is to fail in a realistic assessment of what is needed for success. For it is the basic approach and goal of this planning effort to explicitly link the health of the commercial area to the health of the neighborhood.

Each planning area will be addressed in detail in the following sections. It is only important to note here a minor boundary change which incorporates the promontory on the east side of Pacific Avenue adjacent to the historic trestle bridge where the Ramada Inn Limited and several small homes are located within the Beach Commercial planning area.⁵ In carrying out the economic and design analysis, it became clear that this site could provide an important component in the commercial revitalization of the Beach as does the Wharf. The other minor boundary adjustment was to adopt the previously orphaned block between Pacific Avenue and Front Street into the Beach Hill neighborhood.

The whole issue of boundaries, edges and land use transitions is enormously important, not only in planning, but in everyday urban life. The perception of an area belonging within a context has significant implications for land values as well as quality of life issues. This study has attempted throughout to clarify edges and to strengthen them so they actively contribute to the health and vitality of an area.

C. MAJOR FACTORS INFLUENCING LAND USE IN THE BEACH AREA

There are a series of major influences which have helped determine how the Beach looks and functions. They have played an important role in the evolution of land uses over the years and will need to be considered in any recommendations which are developed.

1. Physical Influences

The Impact of Topography

The Beach Area is defined by its physical topography as an oceanside basin shaped by the heights of West Cliff and Beach Hill to the north and west and the watercourse of the San Lorenzo River to the east.

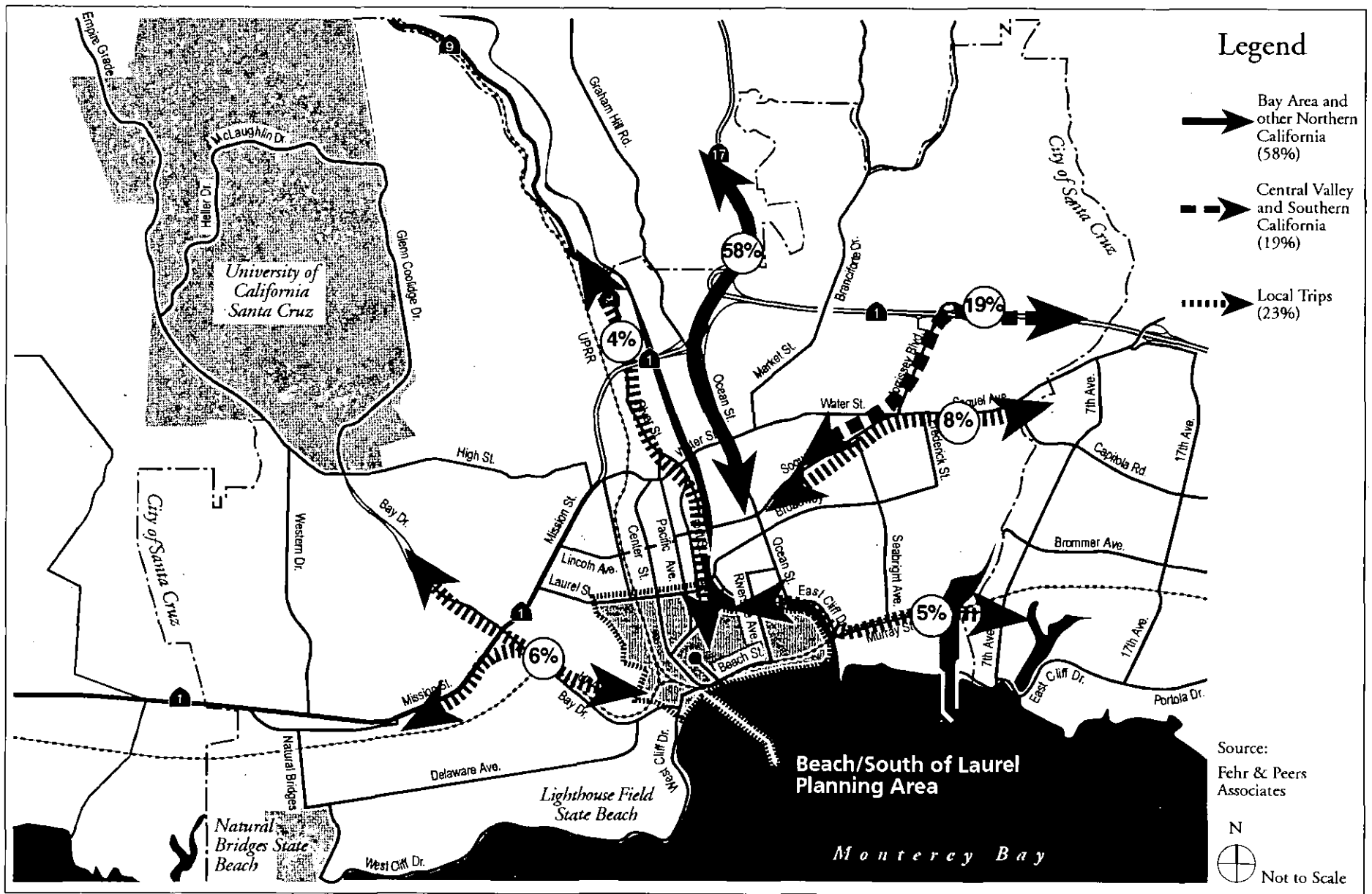
The result of this fact is that the major visitor draws to the City of Santa Cruz — the Beach and the Boardwalk — are located in what is essentially a *cul-de-sac* at the end of the roadway system. This means that access to the beach area is limited to a tightly circumscribed number of entryways through which the majority of traffic must flow.

As the following Figure illustrates, almost 60% of the visitors to the Beach area arrive from Highway 17 and follow Ocean Street to the beach. Another 20% arrive from the South and exit Highway 1 at Morrissey Boulevard and funnel into Ocean Street at Soquel.⁶ Thus, Ocean Street provides vehicular access for approximately 80% of visitor traffic.

These physical facts are of enormous importance in planning for this area. As the later transportation discussion will discuss, the number of possible vehicular approaches to this

⁵ Earlier studies had placed this area within the South of Laurel plan area.

⁶ Fehr & Peers, *Beach Area/South of Laurel Master Plan: Transportation Analysis Report*, April, 1997, Figure 18, "Regional Trip Distributions: Beach Area Trips," p. 71.



The Phipps Group

City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 4

Regional Trip Distribution

area are extremely limited and provide a constant challenge in terms of transportation management.

The Role of the San Lorenzo River

The San Lorenzo River has played, and continues to play, a major role in the Beach area. It defines its eastern boundaries, and the seasonality of its flow levels and the potential for flooding directly affects drainage throughout the study area, but most particularly in the Beach Flats.⁷

In the mid-19th Century, the San Lorenzo River followed a wandering course and spread freely out into the floodplain at its downstream end. Because of this shallowness and the formation of sandbars at its mouth, the River never played a major commercial role in the economy of Santa Cruz.⁸ However, it has always played an important recreational and environmental role in the history of the area.



While a few property owners located their homes directly along the riverbanks near its mouth in the 1860's and 70's, the most popular use of the River was boating and bathing. Its waters were found to be warmer than the Ocean, and Leibbrandt's River Bathhouse was a popular destination.⁹ It was also the location of the Venetian Water Carnivals.

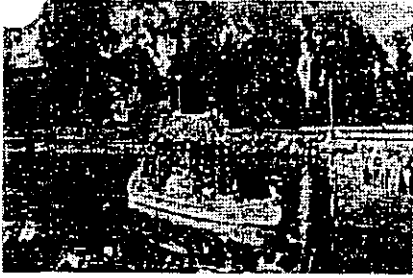
However, even from its earliest days the San Lorenzo River has been neither predictable nor benign. Flooding of this River is a major influence in the area. As early as 1862, records indicate that flood waters washed away a paper mill built on its banks. Since that time, floods have occurred in 1869, 1890, 1895, 1909, 1911, 1931, 1940, 1941, 1945, and most severely in 1955. In order to prevent a recurrence of this disaster, the U.S. Army Corps of Engineers began a flood control project which channeled the river between levees.¹⁰

⁷ Philip Williams & Associates, *The San Lorenzo River Enhancement Plan*, 1988, p.8-9.

⁸ ROMA Design Group, *San Lorenzo River Design Concept Plan*, 1987, p.2.

⁹ Gibson, *Waterfront*, p.27.

¹⁰ ROMA, *Concept Plan.*, p.3.



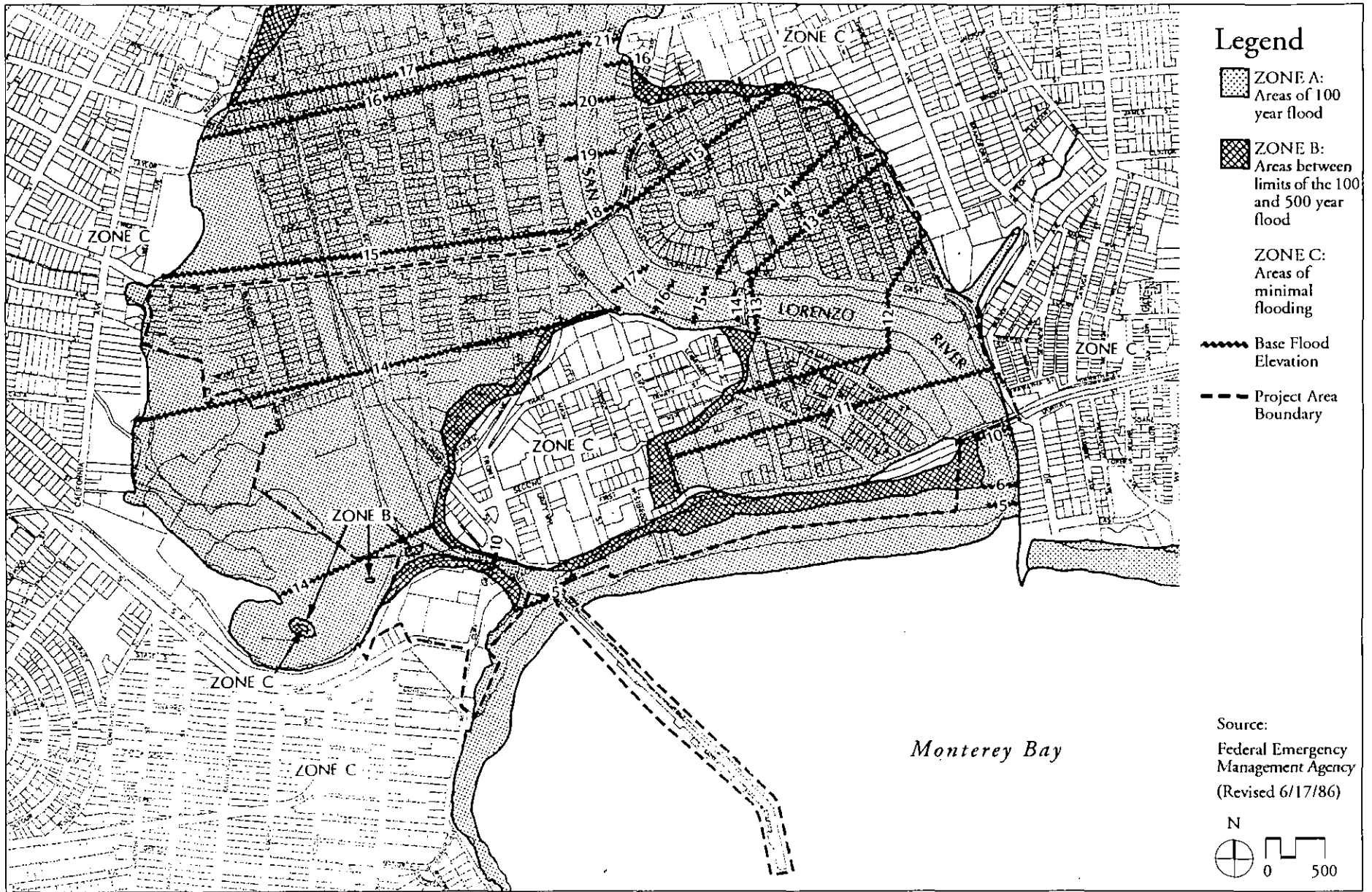
As the following Figure illustrates; almost the entire study area, with the exception of the heights of Beach Hill falls within the 100 year floodplain. This fact has particular implication for the Beach Flats area where storm drainage during heavy rains frequently backs up flooding streets and cottages. As the discussion in Chapter on Community facilities indicates, improved storm drainage in this area will be crucial to successful revitalization.

2. Impact of Recreational Uses

For over a century, recreational uses have defined how the Beach Commercial District looks and functions. The role of the Beach, the Boardwalk and the Wharf is paramount in defining the activities, the circulation and parking patterns, and the entire tempo of life for the beach area. They form the basis of its economy, and the health and function of this sector is crucial not only to the citywide health of all the visitor serving industry, but also directly affects the health of the surrounding neighborhoods, as over 2 million visitors arrive annually.

The settings of these recreational uses, that is the Beach, the Boardwalk, the Wharf, and the Levee can play an important role in enhancing the residential quality of life in the Beach Flats and on Beach Hill. For they provide visual and spatial relief at the ends of densely developed residential streets. More-over, they act as an open space alternative in an urban environment, and can - with proper landscaping and design - contribute to stabilizing and enhancing land values and adding to the attractiveness of these neighborhoods. These factors will be discussed in detail in the following chapters.





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City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 5

100 Year Flood Map

II. BEACH FLATS: EXISTING CONDITIONS

II. EXISTING CONDITIONS: LAND USE & ZONING BEACH FLATS

A. OVERVIEW & PURPOSE

The Beach Flats is a unique neighborhood in Santa Cruz. It is the central premise of this planning effort that the Beach Flats must become a more livable neighborhood where local residents eagerly choose to reside, with safe and secure streets and vested resident inhabitants. In 1994, sixty-nine percent of Beach Flats residents interviewed said if affordable housing elsewhere in the City were available, they would move from Beach Flats.¹

The future of the Beach area is linked to the future of the Beach Flats. A basic assumption of this planning effort is that revitalization of the Beach area cannot be achieved unless and until there is a significant catalyst for positive change in the Beach Flats neighborhood. It is the purpose of this Plan to provide a series of interrelated recommendations designed to restore the quality of life in this neighborhood.

This neighborhood possesses physical, demographic and locational characteristics which provide both opportunities and constraints. Because of its pivotal importance to the future of the Beach area, a detailed analysis of existing conditions is presented below.

B. NEIGHBORHOOD CHARACTERISTICS

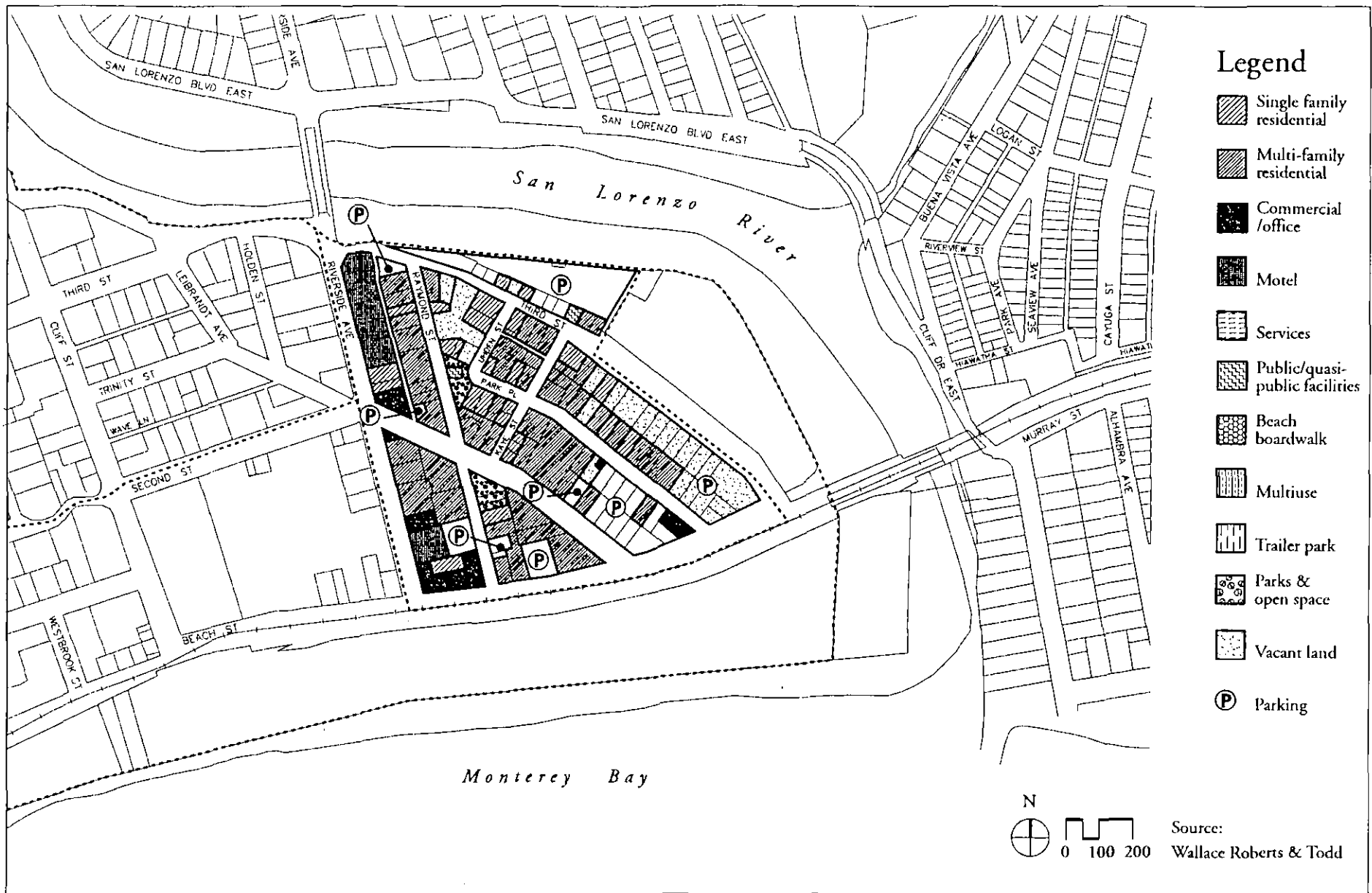
1. Overview & History

The flat, low-lying area known as Beach Flats was originally farm land adjacent to the marshy mouth of the San Lorenzo River. Purchased by the Leibrandt family in 1866, it served as pasture and wheat fields, and as the City began to attract summer visitors a camp ground for vacationers who provided their own tents. In fact, the orderly small lot layout of this early "tent city" is reflected in the later subdivision parcels of the Kaye-Uhden and Leibrandt tracts which form the basis of the current neighborhood. Unlike the current residential uses of today, the Beach Flats area was initially developed to provide recreational uses.

The ultimate configuration and streetscape of the Flats was determined in the year 1910, when with the construction of the Casa del Rey, Swanton relocated many of the summer cottages which had been on that site eastward to the Leibrandt and the Kaye-Uhden tracts which form the basis of the Beach Flats neighborhood. These cottages were initially used by summer visitors who left the area long before the high water inundations of winter. With the addition of a few small scale motels in the 1930's and 1940's, the basic structure of today's neighborhood was complete.

Following the great flood of 1955, the Army Corps of Engineers narrowed the mouth of the San Lorenzo River, channeling it to the east of the island and containing it within levees

¹ "Beach Flats Residents Survey," 1994, as cited in *Beach Area Outlook Conference*.



The Phipps Group

City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 6

Beach Flats Land Use

which are acknowledged to be inadequate as well as ugly. The reclaimed land extended the boundaries of the Beach Flats to the east.

Over the years, however, there has been substantial deterioration of the housing stock and the residential quality of life in this area. **Twenty-seven years ago, home ownership was more than 70% in this neighborhood.** Today, Beach Flats is the most densely populated, poorest neighborhood in the City of Santa Cruz. It is one of the major goals of this planning effort to provide recommendations which form the basis for a sensitive, practical and comprehensive neighborhood revitalization program for the Beach Flats.



2. Demographics

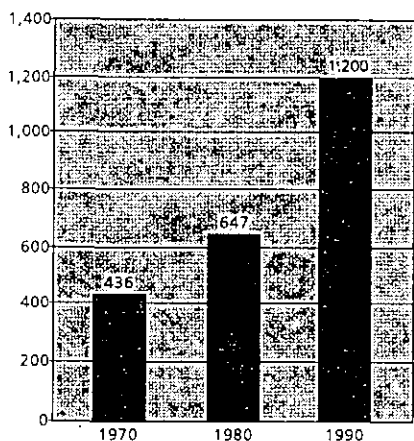
Today, the Beach Flats area is characterized by a mix of transitory and permanent residential uses.²

Density

The neighborhood covers almost 28 acres of which only nine (9) acres are developed. The remainder is in either vacant lots, paved streets or parking lots along the River.

It is the most densely populated neighborhood in Santa Cruz, with 1200 residents within that 9 acres. This corresponds to a population density of over 130 persons per acre. "Since 1980, the population in Beach Flats has doubled without significant improvement of housing conditions."³ In fact, as the chart to the right illustrates, while the number of dwelling units has declined from 382 in 1980⁴ to 345 in 1990,⁵ the number of people living in these units has soared.

Beach Flats Population Growth



² There are also commercial uses along Riverside Avenue and Beach Street which will be discussed in the context of Beach Commercial.

³ "Beach Area/South of Laurel Process and Opportunities", 1995, p.22.

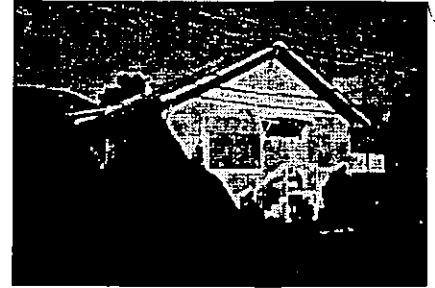
⁴ Beach Area Plan, 1980, p.25.

⁵ City of Santa Cruz, General Plan, I., p.210.

Average Household Size

The average household size in Beach Flats is 3.82 persons per unit, which is the highest per unit count in the City.⁶ The area consists of 345 occupied residential units that are developed in a small lot pattern, resulting in housing densities approaching 35 units per acre.

Many of the residences in Beach Flats are converted motels or one bedroom summer cottages that are now dilapidated. Approximately 34% of the housing stock is considered in substandard condition.⁷ Seventy-five (75%) percent of the units are studio or one bedroom units, and 97% of all units are rentals. Overcrowding is a significant problem with 60% of the 305 households in the Beach Flats having 3 to 8 people living in them.



Ownership Patterns

Owner occupancy has declined dramatically during the past three decades. As the following graph illustrates, owner occupancy in the Beach Flats was more than 70% in 1960. By 1980, this had declined to 5%, with only 5 resident homeowners in the Beach Flats in 1997, a number which represents less than 1% homeownership in the area.⁸

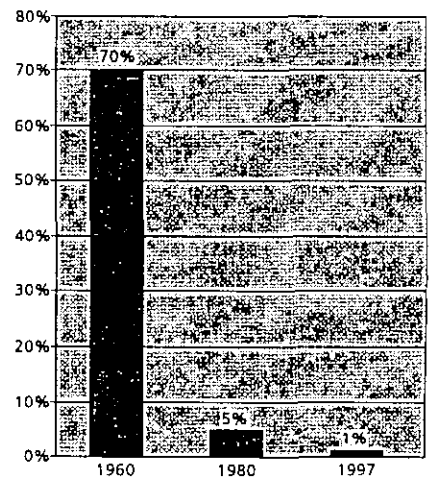
On the other hand, while owner occupancy has almost disappeared in the Beach Flats, there has been a growing concentration of properties owned by a select number of absentee landlords. In fact, fourteen (14) landlords own 56% of all units in the neighborhood. And of that number, five (5) own 125 units or 36% of all units. [1997, Tax Records].

Population

The Beach Flats population is predominantly Hispanic, comprising 78% of the population. This is a substantial increase from the 35% of the population which was represented in 1980.⁹ Additionally, a higher percentage of males are present in this subarea consisting roughly of 60% of the population versus 40% for females. The median age of 22 in the Beach Flats represents a very young population.

The population is also very transient in nature with average length of stay lasting only 3 years.¹⁰ When asked in 1994, 69% of Beach Flats respondents said if affordable housing elsewhere in the City were available at similar rents they would move from the Beach Flats.

Beach Flats Percentage of Home Ownership



3. Public Safety

The population of the Beach Flats represents less than 2% of the total population in the City of Santa Cruz. In 1996, 38% of all felony arrests in the City occurred in the Beach Flats area. While serious crime, as represented by felony arrests, is declining throughout the City, felony arrest in the Beach Flats had risen by 14% since 1994.¹¹

⁶ The Beach Outlook Conference survey of 61 households in the Beach Flats documented an average of 5.25 persons per household.

⁷ City of Santa Cruz Code Compliance Specialist for the Beach Flats, (December, 1998).

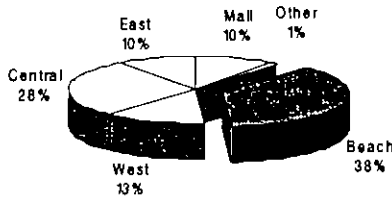
⁸ Tax Records, City of Santa Cruz, January, 1997. Average national homeownership nationwide is 65%. The average in Santa Cruz is approximately 50%.

⁹ "Beach Area/South of Laurel Process and Opportunities," p. 22.

¹⁰ The 1980 *Plan* found that "only 2 out of 10 people lived in the area in both 1970 and 1976." (p.24)

¹¹ *Santa Cruz Police Department: Beat Report: 1994:1995:1996* (partial yr.).

Percent Felony Arrests by Area 1996

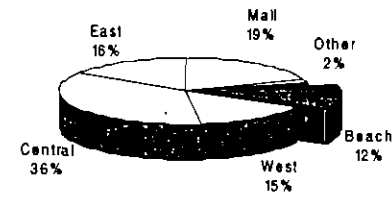


In response to this, in 1995 the City of Santa Cruz established its first new police beat in 13 years – the Beach Beat – to patrol the area. Six officers are designated for this beat and assist in safety as well as code enforcement. Changes in traffic patterns, the installation of wrought-iron fencing at the Dolphin, street lighting and community programs, and a concentration on drug enforcement has laid a sound foundation for continued and enhanced crime prevention measures. Due to these implementing actions and the effective work of the community policing activities in concert with residents, in 1997, the percent of city-wide felony arrests has fallen in the Beach Flats to 12% of the total.¹²

4. Summary

Beach Flats is the most densely populated neighborhood in the City of Santa Cruz. It is isolated and contained within a nine (9) developed acre section of the City, bordered by the San Lorenzo River, the Boardwalk and the tourist/motel uses which line Riverside Avenue, effectively separating this neighborhood from the other residential neighborhood of Beach Hill.

Percent Felony Arrests by Area 1998



The housing stock is primarily converted small summer cottages and motels - with approximately 40% in substandard condition in 1996. By 1998, continuing code enforcement had reduced the number of substandard units to approximately 34% of the total. Ninety-seven percent of the housing is rental, and seventy-five percent of the units are small – either studio or one-bedroom units, with an average density ranging from 3.82 to 5.25 persons per household. The Santa Cruz average household density is 2.5.

Almost 60% of all the property in Beach Flats is owned by 14 individuals – twelve of whom live outside of Santa Cruz. There is only one landlord who actually resides in the neighborhood.

There are only five homeowners in Beach Flats. This represents less than 1% homeownership. The national average for homeownership is 65%. Throughout the entire City of Santa Cruz, it is closer to 50%.

Except for rents at the lowest end of the scale, that is for studio units available in the Dolphin for \$375, rents in the Beach Flats area approach market rate – with one bedroom units leasing for \$585 to \$650 and two-bedroom units at \$725 to \$800. These rates were current in January, 1997 and have risen significantly.

The population in Beach Flats is primarily Hispanic, with a predominance of males, and a median age of 22 years. The percentage of Hispanic population in the Flats doubled in the ten years between 1980 and 1990, from 35% to 79%.

Incomes are low, approximately \$20,000 per household. According to a survey taken of residents in the Beach Flats in 1994, this population is extremely mobile, as the median length of residence was only three years. In a survey of Beach Flats residents, of the six affordable areas located in the City, respondents ranked the Beach Flats as the least desirable.

While serious crime, as represented by felony arrests, has been relatively stable in the rest of Santa Cruz for the past three years, it had been rising in the Beach Flats. For the first six months of 1996, almost 38% of all felony arrests were made in the Beach area. However, due to increased community based policing enforcement, this rate has dropped to 12%.

¹² Santa Cruz Police Department: Beat Report: 1998.

C. ZONING IN THE BEACH FLATS

There are three zoning categories applied within the boundaries of the Beach Flats Area. They are: RTD-Beach Residential; CB-Beach Commercial; and RTC-Beach Commercial.

1. RTD Zone

Zoning in the heart of Beach Flats is RTD – Beach Residential. [24.10.626]. The primary purpose of this zone is “to establish standards for beach residential uses which promote and protect the residential characteristics of the subdistrict and provide a suitable environment for residents.” Additional purposes are “to preserve the scale and enhance the historic beach cottage character of this subdistrict, and to ensure that new residential land uses are both permanent and of a high quality, all new development will be reviewed.”

In general, all types of residential uses – from single family to multiple dwellings of 9 units or fewer –are allowed subject to approval of an administrative use permit and a design permit. Larger residential uses and bed and breakfast inns are subject to a special use permit. Maximum allowable height is 30 feet.

Zoning Issue

Over the years, there has been some uncertainty about the future development direction for the Beach Flats area. The recommendations concerning future land use and zoning in the Beach Flats are designed to **clarify the City’s long term goals for this area, and to strongly reaffirm the City’s commitment to residential – not commercial – treatment of this area and provide the basis for appropriate investment responses.**

2. CB Zone

The purpose of the CB zone 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”. [24.10.1100] There is a wide variety of permitted uses allowed in this zone, such as amusement park uses, museum and galleries, many of which do not support the residential character of the Beach Flats neighborhood.

As illustrated by the “Existing Zoning Map”, this designation is applied in the Beach Flats area along the lower east side of Riverside Avenue, and the northern side of Beach Street between Riverside and Leibbrandt.

3. RTB – Motel-Residential

The purpose of the RTB Zone 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 high-density residential uses.” [24.10.610].

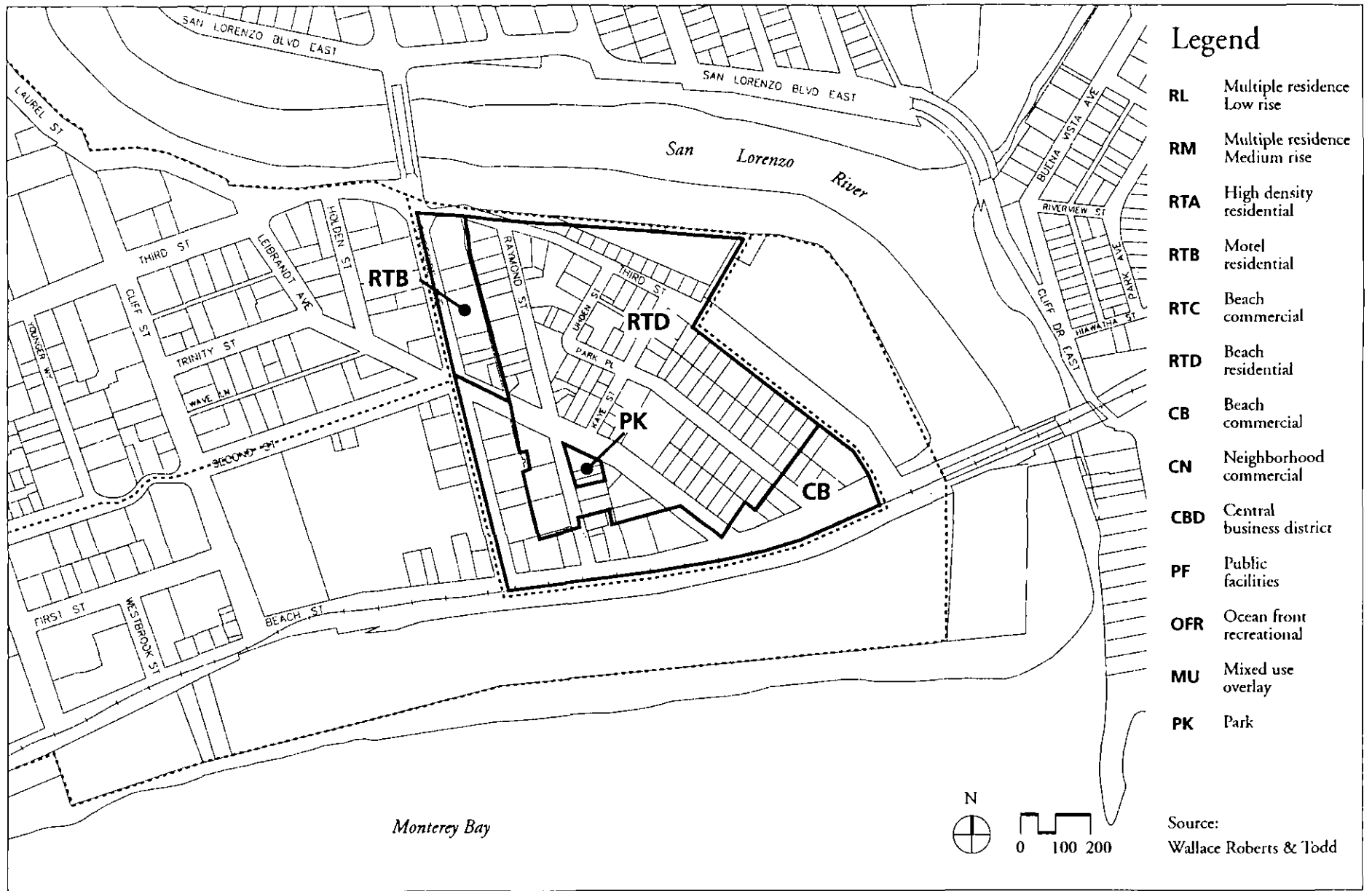
As illustrated by the map, RTB is applied in the Beach Flats area along the upper east side of Riverside Avenue.

ZONING APPROACH IN THIS PLAN

While the *General Plan* has given a high density residential designation to the Beach Flats area, recommendations in the following chapter will make clear density distinctions between the small scale cottage interior and the new development area along the perimeter of Third Street.

The goal of this planning effort is the neighborhood revitalization of Beach Flats by:

1. protecting and enhancing the quality of life of the existing small scale interior neighborhood of the Beach Flats, and
2. encouraging the provision of new multi-family housing along the perimeter of Third Street.



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City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 7

Existing Zoning, Beach Flats

III. BEACH FLATS: RECOMMENDATIONS

III. RECOMMENDATIONS: LAND USE & ZONING BEACH FLATS

A. OVERVIEW & PURPOSE

1. Summary

The Beach Flats must become a *liveable* neighborhood with *safe and secure streets* and *vested resident inhabitants*. A safe environment is the essential foundation of all healthy and stable neighborhoods. The second crucial ingredient is a strong base of residents who share a vested interest in the future of the area — resident homeowners, resident landlords, and resident tenant managers. Today, neighborhood life in the Beach Flats is characterized by the lack of all three — with less than 1% home ownership; 99% absentee landlords, and few resident tenant managers. The following recommendations propose a comprehensive approach to address these central issues.

Leadership of the community in Beach Flats has worked over the years to improve the quality of life in this neighborhood by organizing and participating in the Community Center on Raymond Street, working toward the creation of the park and children's tot lot at the intersection of Raymond and Leibrandt, organizing community clean-ups, planting and harvesting the community garden, and beautifying the area through murals with important symbols of Latino heritage.

Over the years, the City has structured an ongoing outreach program in the community through support and staffing of the Community Center by the Department of Parks and Recreation, and has targeted code enforcement and Community Development Block Grant programs to the area. This Plan continues this policy direction.

The following recommendations were designed not only to enhance the area as a whole, but to provide specific opportunities for current residents to become vested members of the community. Because of the important role which the conservation, ownership and construction of housing plays in restoring the community of Beach Flats, detailed housing recommendations are provided in the following chapter.

The following recommendations were designed not only to enhance the area as a whole, but to provide specific opportunities for current residents to become vested members of the community. Because of the important role which the conservation, ownership and construction of housing plays in restoring the community of Beach Flats, detailed housing recommendations are provided in the following chapter.

2. Approach

These recommendations recognize the importance, in a neighborhood in need of revitalization, of creatively balancing incentives with constraints. They attempt to harness the self-interest of current owners to improvement in the community while creating a new layer of ownership composed of those who are currently renting.

Specific program elements have also been developed to link the energies and talents of the nonprofit community to the resident community through home-ownership counseling programs, tenant management programs, and the creation of new housing.

There is also a role for the private sector. There are a number of "housing opportunity sites" identified in the New Development Area. While some of these opportunities will be addressed by the nonprofit sector to provide much needed affordable housing, there will



still remain sites where the City's adopted policy of promoting diversity in housing stock is appropriate.

The role of the public sector is key. The principal role is to remove uncertainty about the future of the Beach Flats. It can do this by:

- providing a visible 24 hour police presence,
- enacting zoning which sends a clear signal that commercial and residential speculation must stop,
- by providing incentives and by enforcing constraints, and by
- expanding the number of those who have a stake in the community.

The other recommendations which follow below define the program elements which should be implemented to convey positive change to the heart of the community.

B. PLANNING POLICY FOR THE BEACH FLATS

1. Overview

Extensive policy has been developed over the years to address the issues of neighborhood quality of life in the Beach Flats. The basic policy for this area was defined in the *City of Santa Cruz Beach Area Plan*, adopted in July, 1980 and incorporated by reference into the *City of Santa Cruz General Plan and Local Coastal Program, 1990-2005*, II, "Beach Area Plan Summary" p.3-21.

In addition, the City has continued with extensive analysis of this area contained in the following reports: *Beach Street Promenade Design Plan*; "Beach Area Outlook Conference"; "Beach Area/South of Laurel Process and Opportunities"; "Beach Area Chautauqua Questionnaire"; and the *Beach Area Plan Strategy*, adopted in 1996.

The *San Lorenzo River Design Concept Plan*, 1987 and the *San Lorenzo River Enhancement Plan*, 1988 are the controlling documents for river improvements, and this Plan incorporates their recommendations by reference.

2. Policy Framework

The adopted policy framework, as expressed in the vision statement of the *Beach Area Plan Strategy*, identified the goal of a "diverse, quality residential neighborhood serving all income groups at urban densities and pedestrian scale..." for the areas of the Beach and South of Laurel.

Among the primary policies cited in regard to the Beach Flats are:

- a. Maintain the current number of units in the Beach Flats and provide residents opportunities to live in better quality units and better managed living conditions.
- b. Stabilize and strengthen the existing neighborhood at the interior of the Beach Flats by establishing a conservation area with a maximum density of 27 units an acre. Develop

New Development Area with a range of densities from 30 to 36 units an acre to provide better managed multifamily housing opportunities on the perimeter.

- c. Promote more family-oriented development by requiring at least 50% of all new units to be two or more bedrooms.
- d. Promote more affordable residential development by reducing on site parking requirements, where deemed appropriate, to 1 space per unit to help reduce land costs. Revise configuration of Leibrandt Street to provide aggregated residential parking for Beach Flats residents.
- e. Promote a diversity of new housing opportunities by amending the demolition conversion permit requirement from 100% replacement of affordable bedrooms to 50% replacement, in the Beach Area to be consistent with the rest of the City, as long as there is no net loss of affordable units in the greater Beach and SOLA planning areas. Additionally allow dilapidated units to be demolished, so long as replacement units have been identified.
- f. Maintain an aggressive housing code enforcement program to insure that existing units meet health and safety codes.
- g. Accommodate flexibility in design to allow development of small lots that are predominant in the Beach Flats area, which in some instances could include the elimination of the lot size requirement for projects and planned developments and the reduction in setback requirements.
- h. Create a viable, healthy residential neighborhood with appropriate levels of connected amenities and clear boundaries that are separate from intensive commercial activities.
- i. The City will make a good faith effort, to provide affordable housing opportunities for current residents displaced by changes resulting from the Plan and who are eligible for affordable housing in accordance with appropriate relocations laws.
- j. The City of Santa Cruz shall continue to allocate Community Development Block Grant funds to the pro-active Target Area Code Enforcement and Nuisance Abatement Program.
- k. The City of Santa Cruz shall continue to direct in-lieu housing trust fund and fees and HOME fund money to the Target Area Housing and Relocation Assistance Fund, to improve or replace substandard housing in the Target Area and Beach Flats.
- l. When tax increment housing set-aside money become available, consideration should be given to establishing new construction as one of the high priorities of the fund. Additionally rehabilitation of housing within Beach Flats and other portions of the Target Area will be promoted.

3. Summary of Policy Proposals

The adopted policies listed above are designed to provide a healthy, vital community in the Beach Flats. They are structured to improve the quality of life by encouraging the maintenance and restoration of the cottage character of the interior Conservation District while stimulating new construction along the perimeter New Development District through density bonuses, reduction in parking requirements, flexibility in design and the possibility of financing

incentives. They address the issue of dilapidated existing units by encouraging more aggressive code enforcement and providing incentives to property owners to upgrade their properties. The policies also seek to limit any potential adverse impacts of change on the existing population by encouraging the provision of alternative low-income housing opportunities for residents both within the Beach Flats and elsewhere within the Beach and South of Laurel areas.

In terms of addressing neighborhood cohesiveness, these policies recommend strengthening the boundaries of the neighborhood through new high density development along Third Street which will help provide separation between residential and commercial land uses and provide **significant new housing opportunity sites around the perimeter of the Beach Flats**. These housing opportunity sites, when developed, will establish a quality residential development pattern that will convey a clear message to end commercial speculation in the interior of Beach Flats. This policy intends to maintain significant affordability in the area, but also allow a more diverse range of income levels to be represented within the neighborhood.

The policies are also structured to reflect the differing needs of the perimeter of the area from the small scale neighborhood character of the interior streets. Rehabilitation funding is focused on the Conservation Area, and HOME funds are targeted to encourage home ownership by existing tenants.

To ensure that rehabilitation and new development create a quality community, design criteria and development standards are proposed for private investment, and urban design recommendations are proposed to govern public investment.

In the recommendations for the Beach Flats which follow, a *planning approach* will be offered **which conserves and restores a significant portion of the heart of the Beach Flats neighborhood**. This approach has the dual effect of conserving the heart of this neighborhood while building upon the physical, cultural and personal assets of this important community.

C. RECOMMENDATIONS: NEIGHBORHOOD CONSERVATION STRATEGY

The thrust of the following recommendations is to weave together a series of program elements which link public with private expenditures in order to creatively preserve and protect the Beach Flats neighborhood.

The primary objective is to create a viable residential district and establish programs to ensure safe and secure streets, promote community cohesiveness through quality design of buildings and infrastructure, and provide zoning and regulatory protections from commercial incursions and speculation.

Because of the pivotal role which housing plays in the restoration of strong community fabric, a separate chapter detailing these recommendations follows.

1. Recommendation: Safe & Secure Streets

The Beach Flats community must be made safe and secure. This is a central prerequisite for revitalization. Families must not only be secure, but feel secure. Earlier City actions including changes to the traffic patterns, installation of fencing, community policing, and

concentration on drug enforcement provide the context for increased security patrols in this neighborhood.

The principal recommendation is to provide additional security to this neighborhood.

- a. additional police officers should be assigned to the Beach Beat as funding permits.
- b. serious consideration should be given to a **demonstration project** of enhanced security in combination with community service officers working with locally based security patrols.

The basic program element of such a demonstration project includes working with the Police Department and Beach Flats residents to identify:

- the time of day/night when Police officers could best use assistance, and any seasonal variation,
- the most appropriate composition of a roaming security patrol, and
- the safest and most effective way for residents to participate in the program.

The potential benefits of a concentrated demonstration program could include:

- strong message to community that crime will not be tolerated,
- increased assurance to residents that their safety is of principal concern,
- most efficient use of police resources,
- enhanced neighborhood quality of life,
- reduction of risk for new/increased investment in area.

2. Recommendation: Two Planning Areas

Over the years, there has been some uncertainty about the future development direction for the Beach Flats. Some have thought that wholesale rezoning to commercial use was the correct answer — others have believed that a complete redevelopment was appropriate.

This planning process provides an opportunity for the City to clarify in regulatory terms its long-term goals for this area, and to strongly reaffirm the City's commitment to residential, not commercial, treatment of this area.

In order to accomplish this, this Plan recommends clearly identifying future residential use within the "neighborhood conservation area" where rehabilitation, interior and exterior maintenance and increased home ownership will be encouraged; and future multifamily use within a "new development area" where new construction and higher density will be encouraged.

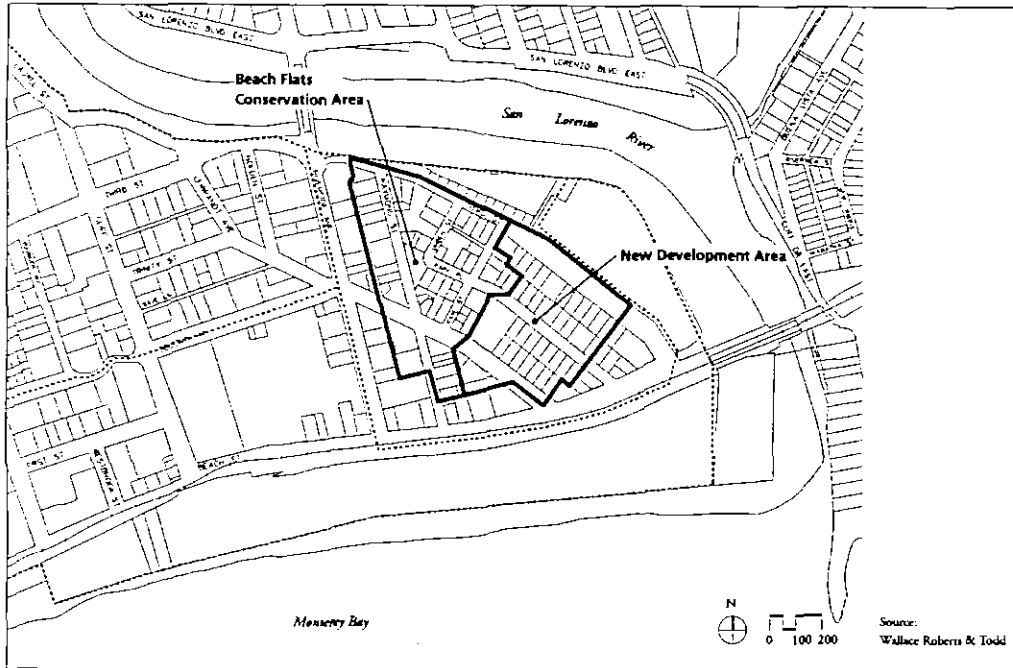
These areas are outlined on the map below, and identify:

- area north of Kaye Street toward Riverside - the "Conservation Area", and
- area south of Kaye Street - "New Development Area".

This distinction responds to the differing needs of the perimeter from the small scale neighborhood character of the interior streets. Additionally, the decision to treat the area in this way will send a strong signal to stop commercial speculation in the heart of the Beach Flats. It clearly identifies where new development and redevelopment are encouraged, and reaffirms the small scale residential nature of the interior.

3. Recommendation: Rezoning Beach Flats

In order to implement the recommendation of a neighborhood conservation strategy, a rezoning will be required. [See following map] Current zoning is RTD- Beach Residential,



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City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 8

Beach Flats New Development and Conservation Areas

low-medium density residential, where the height may go up to 30 feet, and the density may go up to 27 units an acre.

This study recommends:

- a. maintaining the RTD zone in the Conservation Area, and putting in place a "Neighborhood Conservation Overlay" which requires conformance with specific design guidelines.
- b. establishing a new zone - RTE - Beach Residential Development - for the "New Development Area" a medium density residential zone in which the density may range from 30 to 36 units an acre, with reduced parking requirements, flexible setbacks, no specified lot size for planned developments (PDs), and subject to specific design guidelines. [See illustration of possible development below]

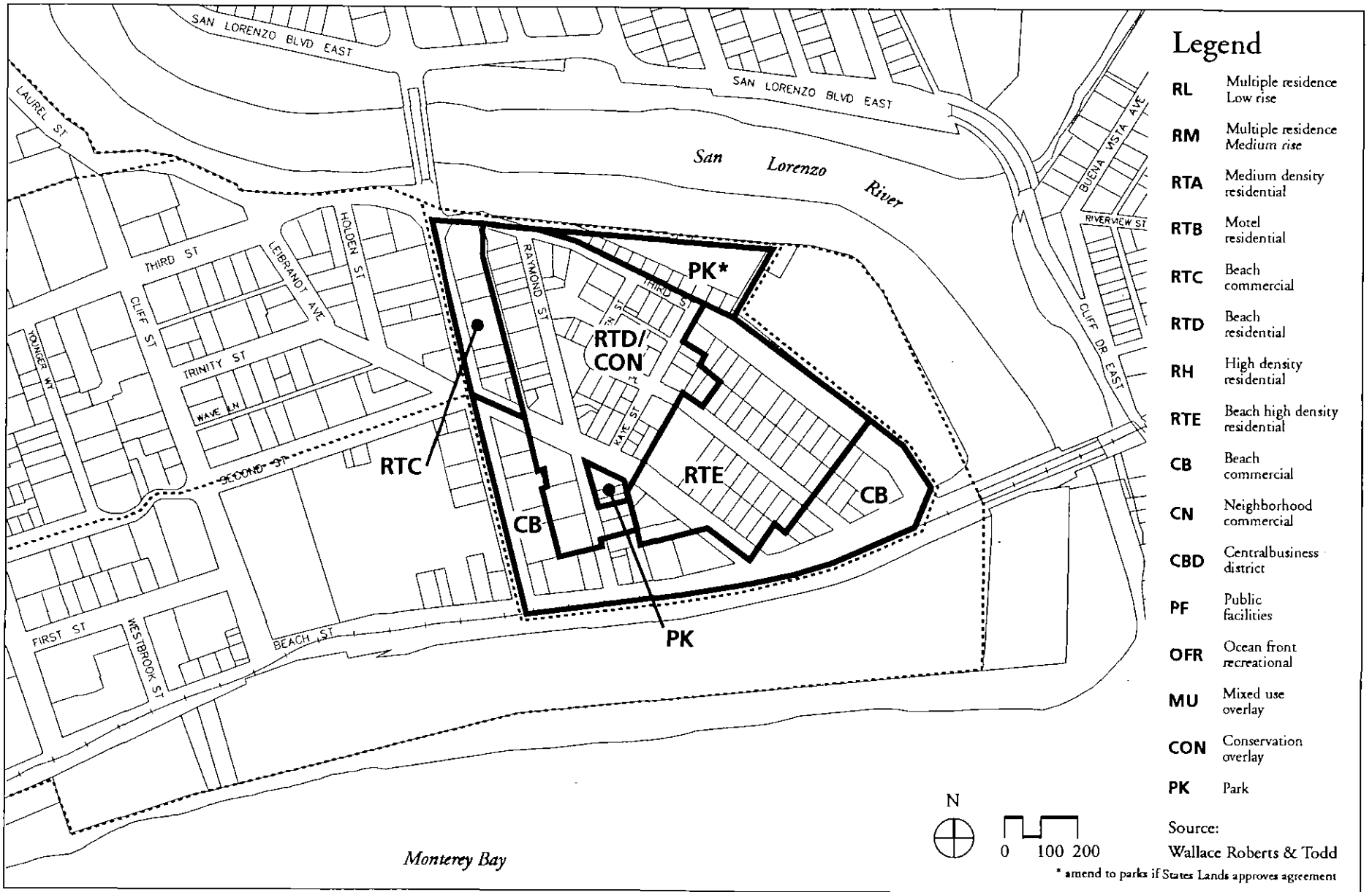


Figure 9

Proposed Zoning, Beach Flats

A summary of the development potential in Beach Flats is listed in Appendix A.



Possible Development: RTE ZONE

4. Urban Design: Beach Flats

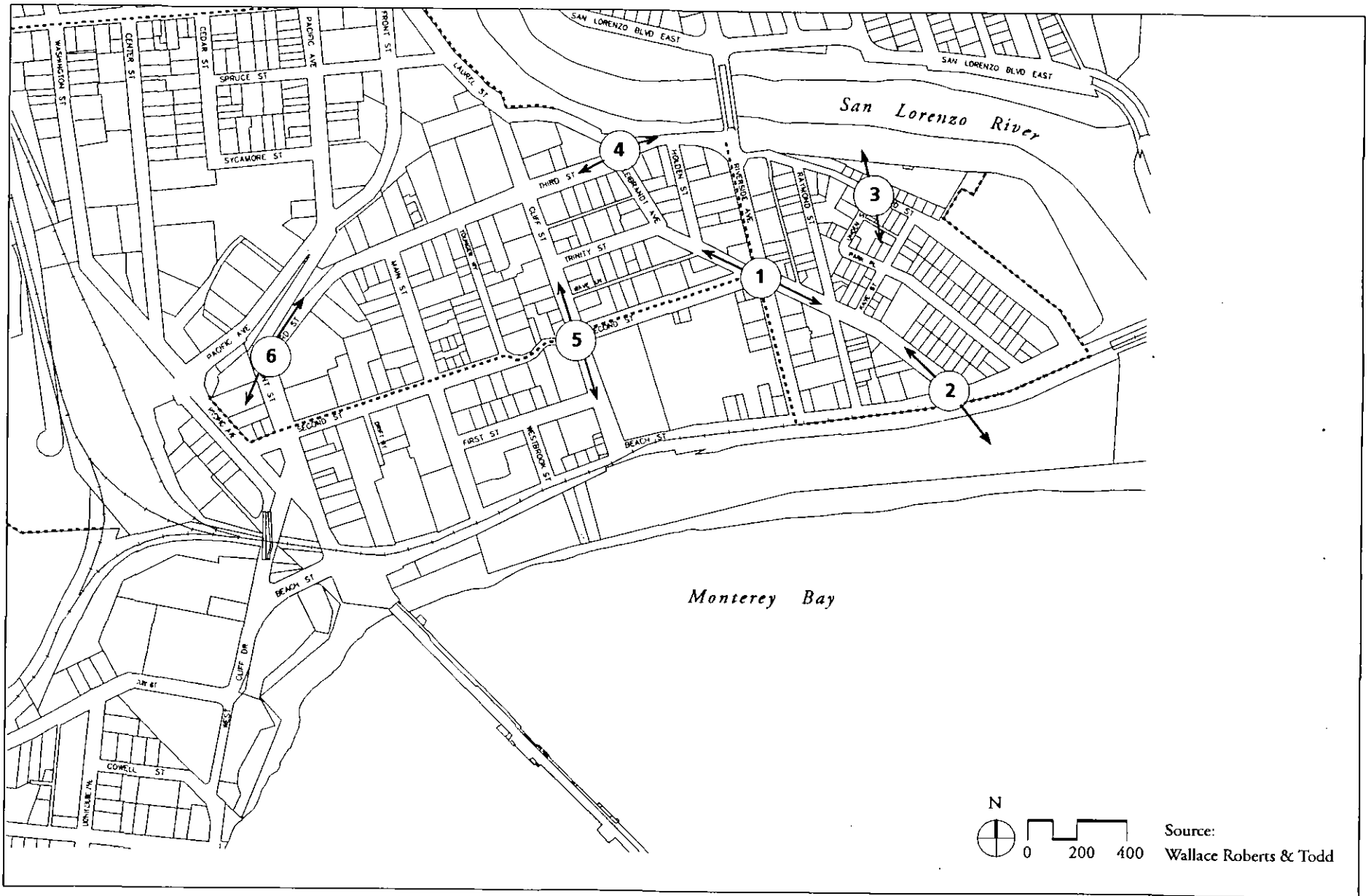
The Beach Flats residential area needs to establish a strong sense of place, with edges which have a beginning and an end, and with gateways and intimate residential streets clearly defined.

The street and circulation patterns provide an opportunity to enhance the entryways to the neighborhood at very definable intersections. The recommendations specifically identify where public improvements will strengthen the residential quality of the neighborhood and how modest exterior improvements can dramatically change the appearance of the area.

These proposals take into account the current circulation pattern which has been designed to limit access and egress from the neighborhood, protecting it from both tourist related penetration as well as criminal activity.

Recommendation: Implement Urban Design Recommendations:

The following map in conjunction with the following illustrations illustrate the location and type of proposed improvements.

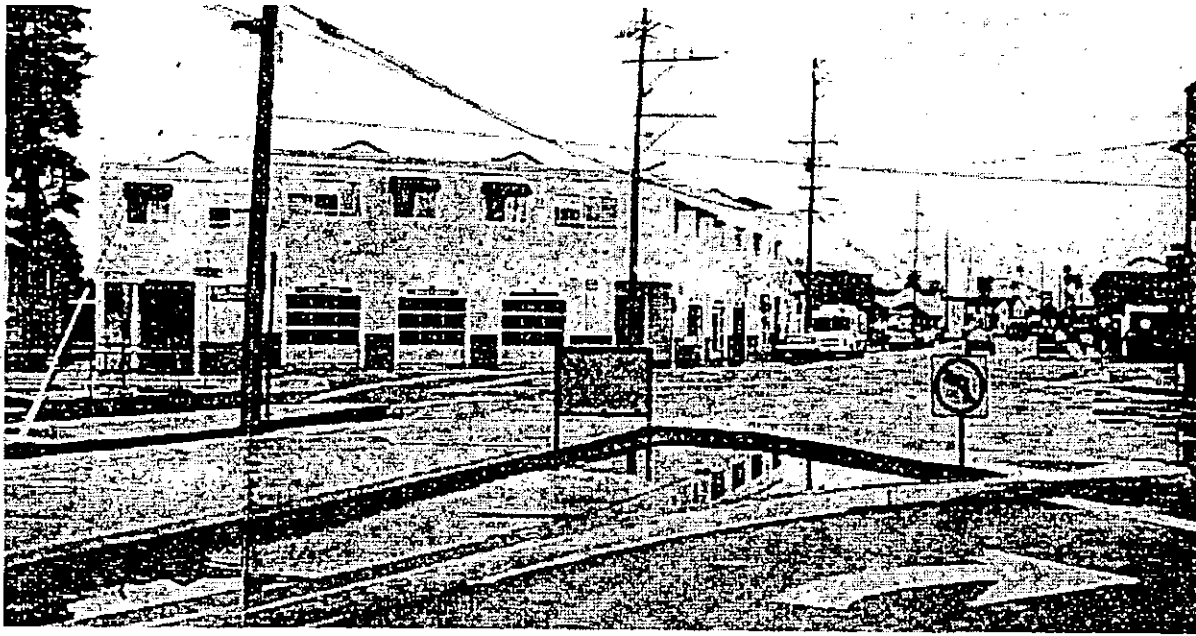


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Figure 10

Proposed gateway Improvements #1,2&3 Beach Flats

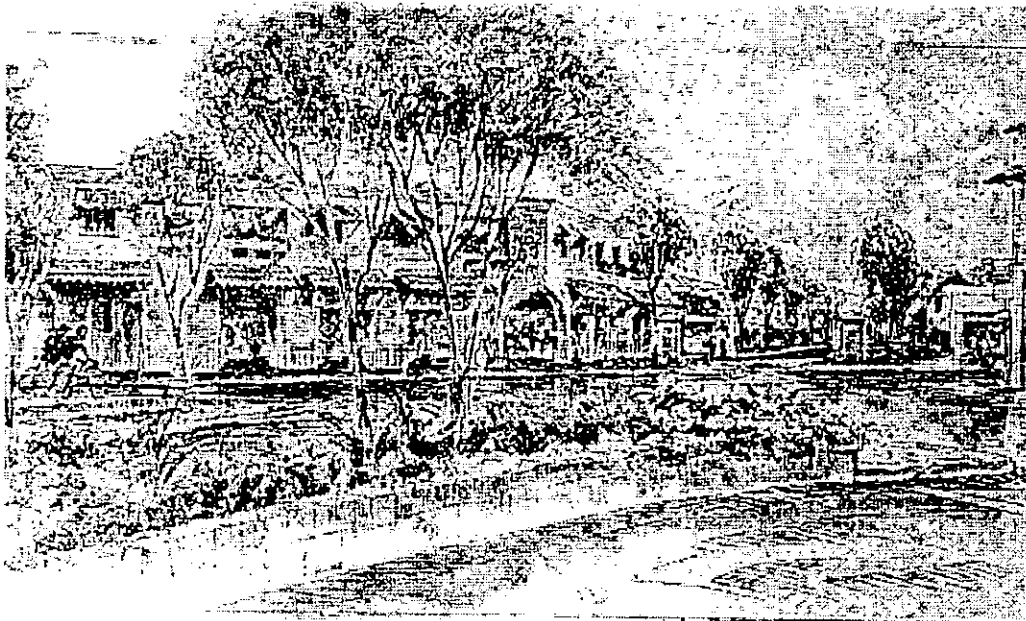


EXISTING INTERSECTION: LEIBRANDT & RIVERSIDE

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City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 11

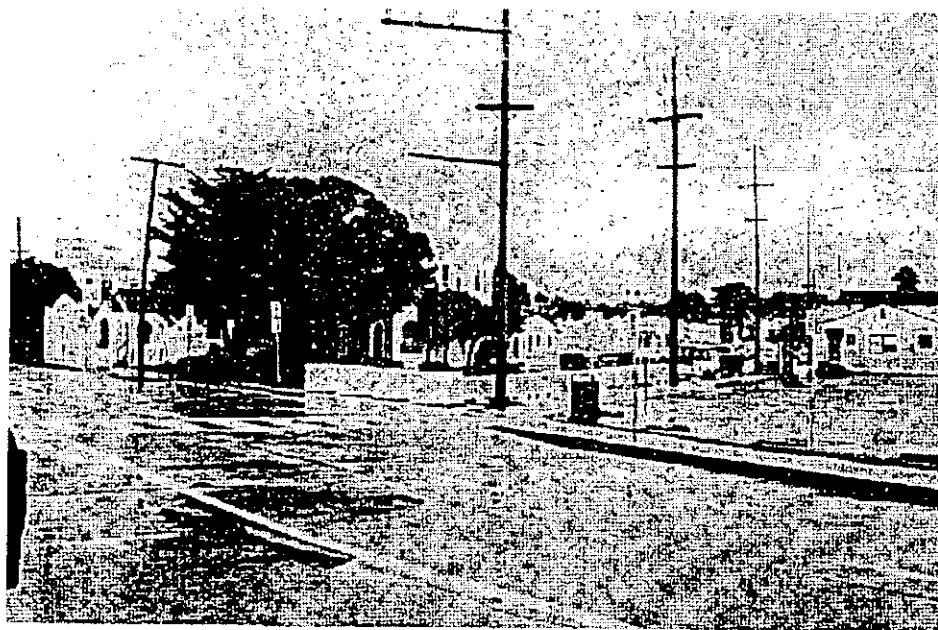


GATEWAY#1: LEIBRANDT & RIVERSIDE Illustration by Thacher & Thompson

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City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 12



EXISTING INTERSECTION: LEIBRANDT & BEACH

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City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 13

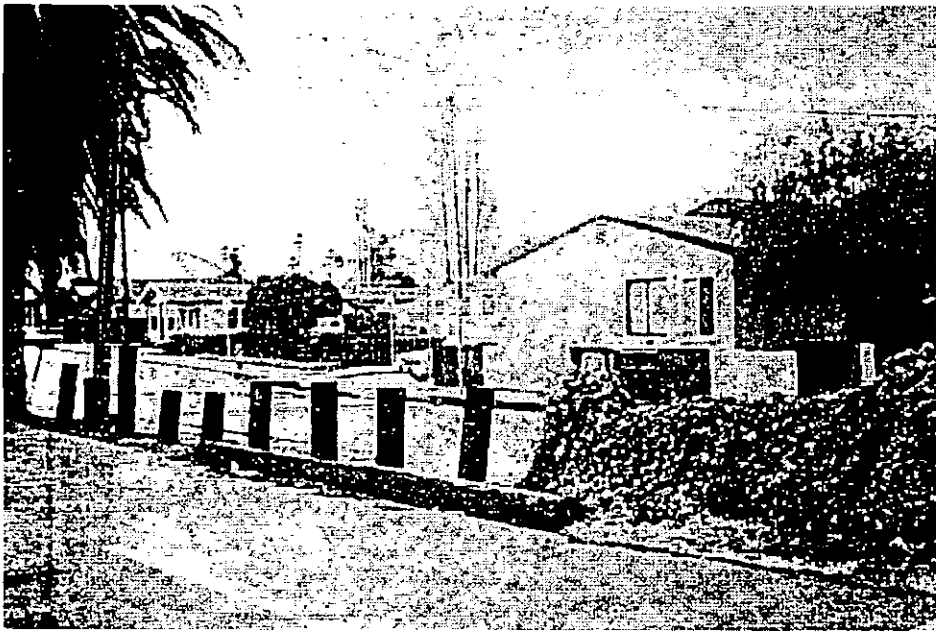


GATEWAY #2: LEIBRANDT & BEACH Illustration by Thacher & Thompson

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City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 14



EXISTING INTERSECTION: UHDEN & THIRD

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City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 15



GATEWAY #3: UHDEN & THIRD

Illustration by Thacher & Thompson

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City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 16



5. Design Guidelines: Beach Flats

During the course of this planning effort, a separate handbook titled, *City of Santa Cruz Beach and South of Laurel Comprehensive Area Plan Design Guidelines*,¹ was developed, and is published as Volume II of the *Plan*. This handbook should be read in conjunction with this recommendation.

The purpose of this handbook was to establish procedures which would ensure orderly and attractive private and public development. It provides general and specific guidance for seven distinct land uses and densities. Based on the goals and objectives of this planning effort and the General Plan, the *Design Guidelines* identify specific community characteristics which pertain to the Beach Flats. Based on these characteristics, the Guidelines provide specific design guidance for the Conservation Area as well as the New Development Area.

Recommendation: Adopt Design Guidelines

This study recommends the review and adoption of the Design Guidelines and the modification of the existing Design permit regulations (Sec.24.08.410) to require a Design Permit in the Beach and South of Laurel Planning Area for all residential, commercial, industrial or mixed-use building additions exceeding 15% of the existing floor area: any New housing development around the perimeter of the neighborhood will be developed as addition to the front of a building that is visible from a public right-of-way; and any new residential unit(s).

D. ZONING & GENERAL PLAN ACTIONS NECESSARY FOR IMPLEMENTATION

In order to implement the recommendations, the following actions will be necessary:

1. Zoning Changes

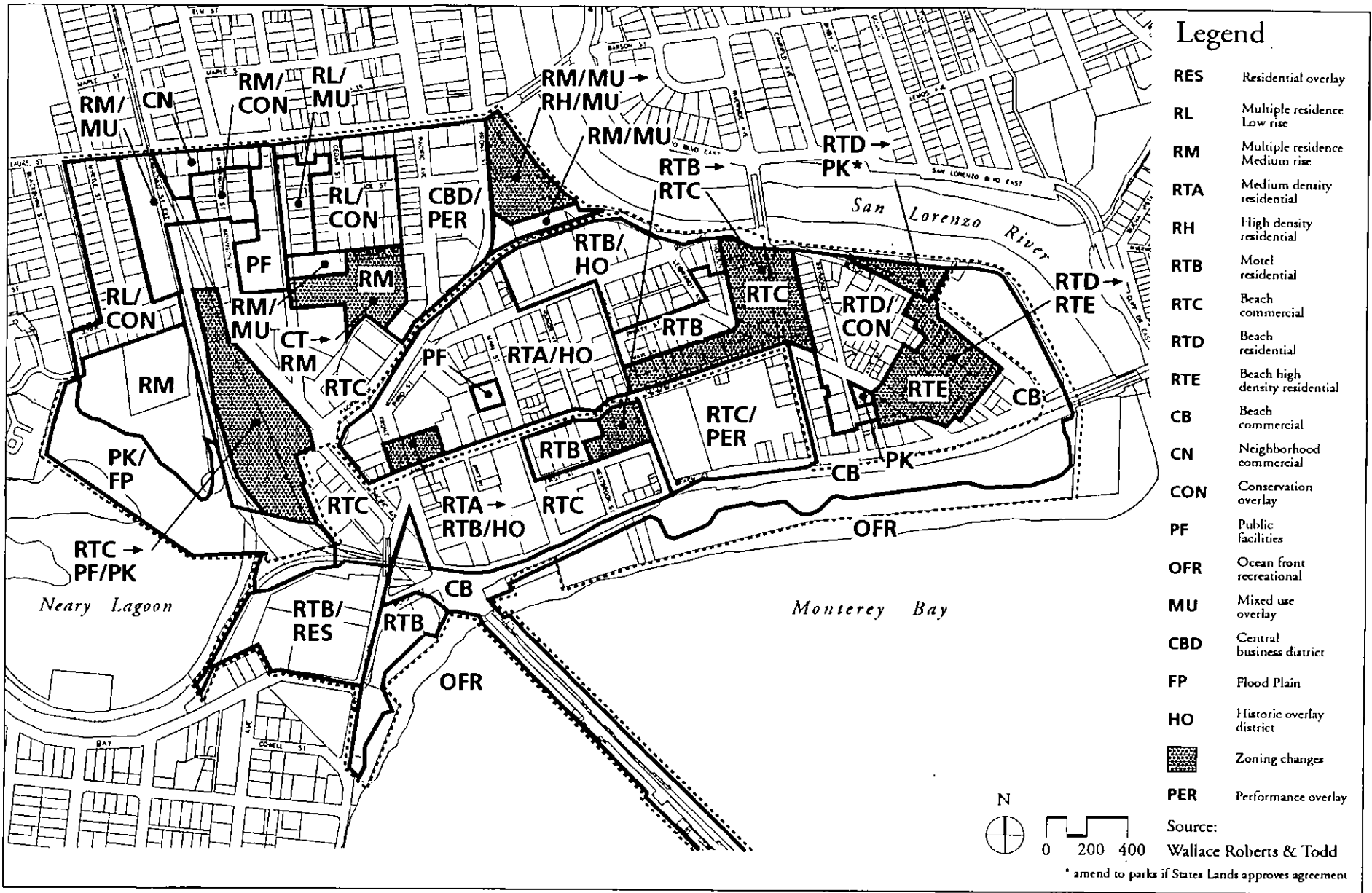
a. *Rezone Upper Riverside Avenue from RTB to RTC*

In order to ensure that Beach Flats benefits from the controls recommended for the RTC zone, and in order to encourage harmonious integration with the Beach commercial area, this study recommends rezoning upper Riverside Avenue to RTC.

Intersection of Riverside and Leibrandt and Upper Riverside: The General Plan had determined the need to establish an area that can supply the commercial needs of the nearby residential community, such as markets, laundries etc. The General Plan currently identifies this corner for neighborhood commercial uses although it is zoned RTB which does not allow the current commercial use.

Rezoning this area to an RTC designation would also allow the potential for neighborhood serving uses but also allow a variety of visitor serving uses that would be appropriate in the area. It would also be consistent with the other expanded RTC areas that are being proposed. This site is recommended to be changed from a General Plan designation of Neighborhood serving to a visitor serving designation with a RTC zoning classification.

¹ by Lettieri-McIntyre and Associates, Draft, September, 1997.



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City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 17

Zoning Changes

b. Rezone "New Development Area" from RTD to RTE

The land in the New Development Area, along the perimeter of Third Street, has a high density residential General Plan designation. It is recommended that this 2.5 acre triangle of land be redesignated in the Zoning Map from an RTD designation to an RTE designation. This will allow new residential development at densities that range from 30 to 36 units per acre. The Local Coastal Plan designation will have to be changed from a medium density residential designation to a high density residential designation. Until a community-based planning process determines the ultimate configuration in the area, the RTE zone should allow commercial parking as a conditional use similar to the current RTD zone.

2. General Plan Amendments

Currently the 10.41 acre Beach Flats area has a high-density General Plan designation. It has been determined that the interior scale and quality of the neighborhood should be maintained and that the perimeter of the neighborhood should be developed with new higher density projects. In order to meet these objectives, the General Plan for the 4.41 acre conservation area of the Beach Flats will be changed to a medium-density designation with maximum of 27 units per acre. Existing RTD regulations will be maintained for this area.

New housing development around the perimeter of the neighborhood will be developed as higher density housing to help buffer the existing neighborhood from impacts of the surrounding commercial uses. The high-density General Plan designation will be placed on the new housing development areas and a new zone will have to be created to address the specific issues of this area. New development adjacent to the interior will have a maximum density ranging from 30 to 36 units per acre. A new one-acre park may be developed along the River north of the amusement parking lot, if the State Lands Commissions accepts a recommended settlement agreement. This area will remain with its current land use classification until a final settlement is reached.

The above recommendations would require the following General Plan modifications:

- a. Delete Land Use policy 2.6.7 in G.P. referring to 55 DU an acre special density allowance in the RT districts.
- b. Modify the RT district description in the Housing element of the General plan (Pg. 244) by deleting the last sentence of the first paragraph.
- c. Revise wording in the Development Standards for the Beach Flats Residential area description on pg. 256 to by deleting current text and replacing with new paragraph that describes the proposed modifications.
- d. Modify housing policy 1.3.1.2. related to adopting housing improvement strategy in Beach Flats Specific Plan by deleting this reference and replacing with adopted Beach and South of Laurel Plan.
- e. Housing element amendment required for the description of the new medium density housing concepts in the Beach Flats (reduced density 30 units per acre) on page 244 of the General Plan as part of the R-T district description.

- f. New Development high density area will have to be described to accommodate a maximum density range of 30 to 36 units per acre.
- g. Remove reference to Mixed Use overlay zone on various perimeter properties in the Beach Flats.

3. Neighborhood Primary School

In addition to the recommendations above, this study suggests the possibility of further strengthening a sense of community by the potential establishment of a neighborhood primary school for grades K-3, which may take the form of a “magnet” school with a wide range of educational resources. It is recommended that this concept receive further study as Beach Flats recommendations are implemented.

IV. COMPRESIVE HOUSING STRATEGY

IV. COMPREHENSIVE HOUSING STRATEGY¹

A. OVERVIEW & PURPOSE

The City of Santa Cruz has been in the forefront among California communities in addressing housing needs, especially housing for lower income households. For over 20 years, the City has sponsored a housing rehabilitation program for both owner-and renter-occupied units. Repayments from past rehabilitation loans continue to fund this program.

In addition, the City has developed and is implementing a variety of housing programs including homeownership assistance, inclusionary housing, accessory dwelling units, mobile home park rent and sale stabilization programs, and, assistance to affordable housing developers. Because of this substantial effort, approximately 10% of the City's 1995-96 housing stock were affordable units.² The 10% figure represents 2,085 units out of a total housing stock number of 20,211 units.

The City intends to continue this successful effort by concentrating financial and technical resources in the Beach/South of Laurel area, especially in the Beach Flats neighborhood. The issues in these communities are far more complex than they are city-wide and will require a number of interrelated strategies to create a liveable and safe community for residents who are living there now. The preceding Chapter dealt with issues of community stability. This Chapter will focus on a specific housing approach.

As the "Existing Conditions" analysis demonstrated, the Beach Flats neighborhood has changed significantly during the last three decades and is today very different from the neighborhood it was in 1960. The Beach Flats has the highest rate (99%) of renters in the City and also is the most densely populated neighborhood in Santa Cruz. Overcrowded housing, deteriorating units and concerns about personal and public safety are all significant issues in the neighborhood. The situation becomes even more complex because the neighborhood is located adjacent to one of the most popular tourist attractions in northern California, the Santa Cruz Beach and Boardwalk.

Because of this complexity, a multi-faceted housing strategy is necessary in order to improve the residential environment in the Beach Flats. Drawing on its past experience in developing housing programs, the City has identified a coordinated housing strategy with five key components.

These key housing components are designed to compliment each other and, when implemented in tandem, will address the varying degrees and complexities of the housing issues in the Beach Flats neighborhood.

¹ This Chapter is based upon original research by Melanie Shaffer-Freitas of Freitas & Freitas.

² *Affordable Housing in Santa Cruz: Past, Present, and Future*, 1997.

Individually each of the five components will have an impact on housing but, collectively, they will create a very visible and positive difference. The goal of this comprehensive approach then is to revitalize and strengthen the entire community by providing a range of housing activities and opportunities.

B. POLICY FRAMEWORK: COMPREHENSIVE HOUSING STRATEGY

Following the adoption of the 2005 *General Plan* in 1992, the City has focused on:

- **maintaining a compact City with clearly defined urban boundaries** (Goals CD-1,)
- **by promoting infill and intensifying land uses consistent with existing neighborhood patterns in developed areas currently served by municipal services** (Policy CD1.1),
- **by focusing significant development in the Central Core and along arterial and mass transit corridor.** (Policy CD1.1.1)

The *General Plan* also identified the development of at least 700 new units³ in the Central Core by the year 2005. Both the Beach and the South of Laurel areas are within the boundaries of the Central Core Planning area.

Another important goal of the *General Plan* was to provide five (5) affordable housing sites in the Beach area (H.4.3.2), and to promote affordable home ownership programs for first time home buyers in the City. (H.3.7)

Since 1990, 365 new units have been constructed in the Beach and South of Laurel Planning area. Of those units, 257 have been designated affordable, a number which represents 70% of all the new housing built in the area since 1990.

Since the adoption of the General Plan, the City has participated in the development of three (3) affordable sites in the study area, including: the 60 unit Sycamore Coop; the 44 unit Shoreline apartments; and the 8 unit La Playa complex. This achieves 60% of the City's stated goals for the area. The 95 unit Neary Lagoon, and the 36 unit Arbor Cove projects were also developed, but were completed before the adoption of the General Plan.

The Beach and South of Laurel Area Plan encourages the creation and maintenance of affordable housing, but also supports the pursuit of a mix of income units in the area. The significant concentration of affordable units in the area does provide the City flexibility in determining appropriate housing mixes in the Beach and South of Laurel area.

The following comprehensive housing strategy will recommend strategies for producing the desired combination of affordable homeownership units, new affordable rental units and new rental and for sale units for working families.

³ *General Plan*, p. 266.

C. FIVE COMPONENTS: COMPREHENSIVE HOUSING STRATEGY

The five components that comprise the comprehensive housing strategy include:

1. conservation and rehabilitation of existing housing stock,
2. homeownership incentives,
3. new construction of affordable as well as non-subsidized units,
4. targeting of financial and technical assistance resources, and
5. replacement housing and relocation assistance.

1. Conservation & Rehabilitation of Existing Housing Stock

The City of Santa Cruz has a long and successful history of administering housing rehabilitation assistance programs. While the programs have been applied citywide in past years, the focus of the program will be shifted to concentrate activities in the Beach and South of Laurel areas.

Financial and technical assistance will be available for owners of both rental as well as owner occupied properties. Special emphasis will be placed on assisting units in the Beach Flats neighborhood. In particular, units in the proposed "Conservation Area" will be eligible for assistance. Further, rehabilitation assistance will be developed to meet the particular needs of this housing stock. This could include such measures as noise mitigation (e.g. replacement of single pane with double pane windows), and flood protection (e.g. raised foundations, flood insurance, etc.)

A two-pronged approach of incentives and constraints is recommended for improving the existing housing stock in the Conservation Area. The first is improving the effectiveness of the City's Code Enforcement program. The second is to offer inducements to current property owners which encourage their direct investment and voluntary compliance.

Recommendation: New Code Enforcement Measures

The City is currently reviewing its code compliance procedures and researching procedural changes in other jurisdictions with the intent of developing more rapid and effective measures.

This study recommends:

- establishing a cost recovery fee schedule for staff time to be paid by non-complying property owner,
- establishing a Hearing Officer procedure of administrative hearings which reduces times to achieve compliance,
- establishing a method to recover relocation costs from non-complying property owners more rapidly,
- establishing a revised list of fines for violations,
- reducing the time between violation and recording a lien or reporting to the Franchise Tax Board.



Recommendation: Targeted Incentive Program

As discussed in the chapter on Existing Conditions documented, fourteen (14) landlords own almost 60% of the housing in the Beach Flats. Only two of these landlords live in Santa Cruz. Historically, absentee landlords present a difficult challenge.

The following incentives programs have been developed to induce direct reinvestment by current landlords and to achieve voluntary compliance within a time certain. They also acknowledge that from the point of view of neighborhood vitality, maintenance of the exterior of the property is more important than interior improvements.

This incentive approach acknowledges that voluntary compliance is far more cost effective than enforcement and often results in a far better product. These following program elements are designed to reduce the out-of-pocket expenditures by the City, for they entail fee deferrals - while leveraging significant private investment.

The intent is to improve property conditions for the tenant, property appearance for the neighborhood, and improve the quality of the assessable tax base for the City.

Recommended elements of the *Interior Maintenance* program are:

- notification of all owners of new code enforcement procedures
- notification of all owners that no permitting fees will be charged for properties placed in voluntary compliance program,
- owners given 3 months to volunteer, and one year to bring property into compliance,
- upon inspection approval, City service fees waived for each unit at a rate not to exceed prior year's billing,
- owners in compliance are eligible for exterior maintenance program grants.

Recommended elements of the *Exterior Maintenance* program are:

- complying owners eligible for grant to off-set costs of facade improvements,⁴
- proposed improvements must meet design guidelines,
- design assistance will be provided free of charge.

Recommendation: Proposed Constraints

For those landlords whose properties are in violation and who elect not to participate in the voluntary compliance program, a concentrated code enforcement program, including the new procedures discussed above, will be put in place.



⁴ This proposal is modeled on the highly successful "Eastside Storefront Improvement Program".

2. Expanding Home Ownership⁵

Few issues play as large a role in creating healthy, stable neighborhoods as that of home ownership. As earlier discussions documented, the percentage of resident home owners in the Beach Flats neighborhood has declined precipitously since 1960, when it represented over 70%. Today, partly due to speculation, it is less than 1%. The proposed comprehensive housing approach is designed to halt speculation and encourage homeownership.

Recommendation: Establish Homeownership Incentives

During the course of this planning process the following home ownership proposal was considered by the City on October 14, 1997. This program has been designed to encourage the purchase of single-family as well as small multi-family properties to be occupied and owned by the owner-residents, and is targeted to current tenants in Beach Flats.

The overall goal is to increase the percentage of owner-occupied properties, especially in the Conservation Area of the Beach Flats which will result in:

- improved property maintenance,
- increased public and personal safety,
- opportunities for lower income households to directly participate in improving residential properties and then share in the financial benefits of increased property values, and
- most importantly, a healthier neighborhood and living environment for adults and children alike.

Home Ownership Program Elements

- a. The program is funded with HOME funds with an initial target goal of assisting four (4) lower-income households annually. The funds can be used to help with the costs of acquisition or acquisition and rehabilitation of the properties. It is estimated that the public subsidy cost to assist would be approximately \$40,000/unit — less than the typical cost to construct new affordable rental units.
- b. A key assumption in the design of the program is that the public assistance provided is not “give-away” funds — not a grant — but rather a solid loan, acting as a silent second, made in conjunction with other financing, including a financial investment by the applicant.

An important component is the participation in this program by local banks and by community credit unions.

- c. Applicants will be care-fully screened to assure that the public’s in-vestment of funds will be repaid not only in financial terms, but also in improved and well-maintained properties over the long term.

⁵ The recommendations regarding home ownership have been developed by Melanie Shaffer Freitas of the firm Freitas+ Freitas.

d. Non-profit organizations could assist in a variety of ways:

- purchase, rehab, and resale of the property,
- financial counseling of potential owners,
- potential lease-purchase arrangements,
- property management counseling of potential owners.

e. First priority for assistance will be units located in the Conservation Area of the Beach Flats neighborhood.

3. New Construction of Affordable & Non-Subsidized Units

A critical component of the comprehensive housing strategy is the development of new housing units, both affordable units as well as housing for working families. The Beach Flats neighborhood in particular contains one of the highest incidences of lower income households in the City. This strategy recommends the creation not only of new affordable units but also the introduction of additional working families and more moderate income households into the neighborhood.

Recommendation: New Housing Sites

Creation of the RTE zone is intended to provide significant new housing opportunities around the perimeter of the Beach Flats.

This study recommends:

- proceeding immediately with construction of new affordable housing.
- revising the 100% replacement demolition permit requirements for the Beach Flats to be consistent with 50% replacement requirement in the rest of the City,
- development of a sensitive and realistic relocation program in accordance with appropriate relocation laws, and
- allowing dilapidated units to be demolished so long as replacement units have been identified.

Recommendation: New Housing Criteria & Incentives - Beach Flats

A primary goal of this study is to stimulate substantial reinvestment in the Beach Flats to **construct quality affordable and non-subsidized housing in an area of significant investment risk**. To do this, a balanced investment strategy is offered below, targeted only to the Beach Flats area and designed to attract both non-profit and private developers to this neighborhood which has not had any significant new investment in the past two decades.

The following recommendations are structured to reduce risk, maximize development in an area of extremely limited land mass, and provide significant additional housing units. In the "New Development Area" of Beach Flats:

- reduce, where appropriate, on-site parking requirement to 1 space/unit,
- eliminate lot size requirement for Planned Development projects, and



- require conformance with development standards and design guidelines,

The City may also consider the option of waiving permitting and other fees associated with new construction for all qualified non-profit and private developers who construct new housing within the next five (5) years in the Beach Flats area.

Recommendation: Criteria for City Participation in Affordable Housing Development- Beach Flats

The construction and management of **well maintained** affordable housing presents a challenge. In order to ensure that any new affordable housing meets the City's goals of enhancing the residential quality of life in the Beach Flats, this study recommends the following minimum criteria for City participation:

- legally binding requirement for on-site resident manager in each new development,
- thorough rental application process which includes background checks, and interviews,
- provision for tenant financial counseling as appropriate,
- provision for families, **with at least 50% of new units to be two or more bedrooms,**
- conformance with development standards and design guidelines.

4. Targeting of Financial & Technical Assistance

Revitalization of the Beach and South of Laurel area is a high priority goal of the City. In order to accomplish this goal, the City is dedicating significant amounts of both financial and technical assistance to the area. This targeting of assistance is considered a vital component of the overall housing strategy because it enables implementation of General Plan goals as well as major housing programs.

For example, HOME funds have been allocated to fund the City's portion of the homeownership program. In addition to the HOME funds, the Housing Authority of the County of Santa Cruz has committed \$30,000 in funds for downpayment assistance for Beach Flats residents who participate in the homeownership program.

A second example is the housing rehabilitation program. The City's housing rehabilitation program has recently been streamlined and is now poised to offer both financial and technical assistance to property owners. The major focus of the rehabilitation program is the Beach and South of Laurel areas, and especially the Beach Flats neighborhood. This is carried out in conjunction with Community Development Block Grant (CDBG) funding of code enforcement activities specifically in the Beach Flats area.

Finally, the Redevelopment Agency of the City of Santa Cruz has indicated that housing set-aside funds will be available in the next few years to fund housing related activities in this area. These four funding resources are the City's major sources of housing monies, and the City has demonstrated their commitment to the Beach and South of Laurel area by targeting these funds for housing programs in the study area.

D. RELOCATION POLICY & REPLACEMENT STRATEGY

The following information is taken from the comprehensive briefing memo prepared by the Redevelopment Agency.⁶

1. Relocation Policy:

The California Relocation Act, Government Code Section 7260, requires public entities and private persons or entities undertaking programs or projects through agreements with public entities, to pay relocation benefits and to provide relocation assistance to persons or businesses displaced by the program or project as follows:

- Homeowners displaced from their property through acquisition are entitled to the difference between the acquisition price of the dwelling and the cost to acquire a replacement dwelling, including moving costs, interest differential payments, and the incidental costs of acquisition, such as points, escrow fees, etc.
- Renters displaced from their property through acquisition are entitled to actual moving expenses or an in lieu payment calculated on the number of rooms. Recent legislation approved by the state legislature may allow renters to receive the payment of the difference between comparable replacement rent and the lesser of existing rent or 30% of income calculated over 42 months as consistent with Federal relocation law.
- Business establishments are entitled to moving costs, including re-establishment expenses, or an in lieu of payment, calculated as the average net profit of the business over the preceding two years of operation.

Both the Redevelopment Agency and the City Council have adopted Relocation and Acquisition Guidelines in accordance with California State law as well as with Federal law.

In the case where no City funding or acquisition action is involved, the City's local regulations require that low and moderate income households, for up to two years before the action, who are displaced by demolition or conversion shall receive relocation assistance of two months rent or other arrangements agreeable to the tenant. [City of Santa Cruz, *Zoning Code*, Section 24.08.1350).

Relocation assistance and benefits are established by law. However, the City and the Redevelopment Agency have limited experience in displacement governed by State and Federal law. Therefore, on occasions when projects receive formal agreements involving City participation, the City shall retain professional relocation consultants to assist in both the interpretation of applicable law, as well as in the process of relocation of affected occupants.

Recommendation: Apply the following Relocation Policies in the Beach and South of Laurel.

- The City's relocation policy shall conform with local, State and Federal Law, with the more generous policy prevailing in the instance of more than one funding source.

⁶ September 23, 1997.

- The City shall make a good faith effort to provide affordable housing opportunities for current residents who may be displaced by changes resulting from the Plan and who are eligible for affordable housing in accordance with appropriate relocation laws.
- When relocation is necessary, the City shall hire professional relocation consultants to assist in the process to ensure compliance with applicable relocation laws.

2. Replacement Strategy:

Over twenty years ago, following the adoption of the original *Beach Area Plan*, (1980), actions were taken to make the replacement housing requirements in RT Districts in the Beach area more restrictive than they were citywide. The citywide standard of 50% replacement of affordable bedrooms for units that have been demolished or converted was doubled in the Beach area to a 100% replacement requirement.

This restriction has made new housing development in the Beach area extremely difficult to accomplish. Policy 1.8 of the "Housing Element" of the *General Plan* states that "the City should consider modifying policies and practices to remove regulatory barriers to the development, conservation, or rehabilitation of housing." Because of these two considerations above, in 1996 with the adoption of the *Beach Area Plan Strategy*, the City Council endorsed the recommendation to "amend the demolition conversion permit requirement from 100% replacement of affordable bedrooms to 50% in the Beach area to be consistent with the rest of the City," to encourage a mix of income groups in the Beach area as long as there was no net loss of affordable units in the greater Beach and South of Laurel area.

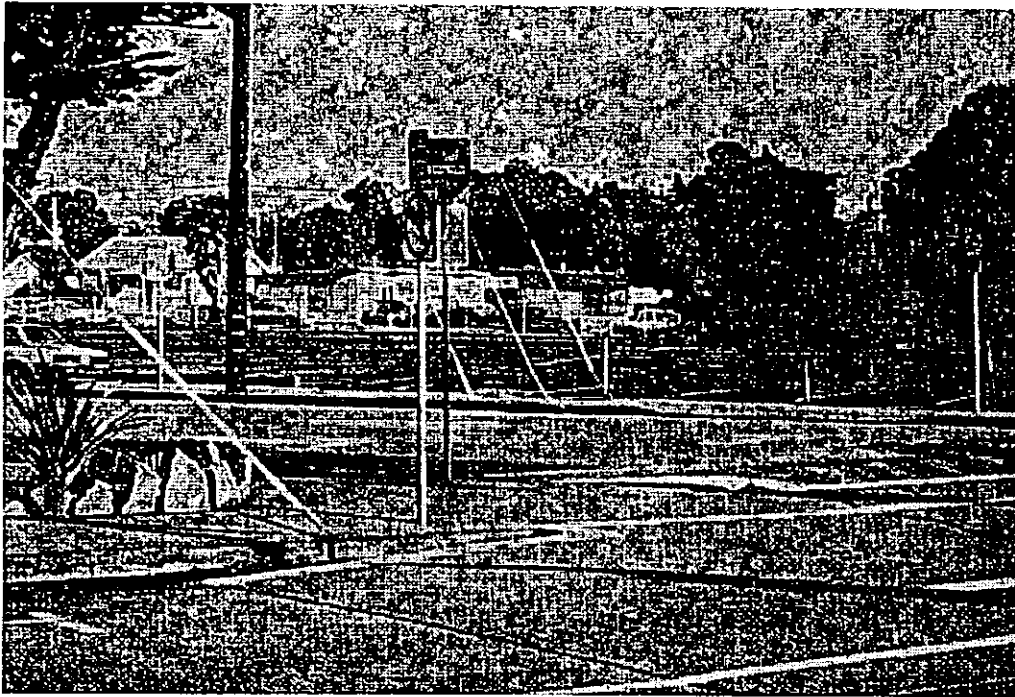
Section 33413(b) of California Community Redevelopment Law (CRL) requires that whenever dwelling units housing persons and families of low and moderate income are destroyed or removed as part of a redevelopment project which is subject to a written agreement with the Agency, or where financial assistance has been provided by the Agency, the Agency shall, within four years of this demolition or removal, rehabilitate, develop, or construct or cause to be rehabilitated, developed or constructed for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units somewhere in the entire redevelopment area which have an equal or greater number of bedrooms as those destroyed or removed.

Under current law, when dwelling units are destroyed or removed involving Redevelopment Agency actions, 75% of the replacement units shall be made available at affordable housing costs in the same income level of the persons or families displaced.

Recommendation: Adopt Replacement Strategy

- The City's replacement strategy shall be consistent citywide. Amend the demolition/conversion requirement for private development in the RT district from 100% replacement to 50% replacement of affordable bedrooms, as long as there is no net loss of affordable units in the greater Beach and South of Laurel planning areas. Dilapidated units shall be allowed to be demolished as long as replacement units have been identified.

- If there is a written agreement of City or Redevelopment Agency involvement in a project which entails demolition or conversion, then there shall be 75% replacement of affordable bedrooms.
- The City shall proceed with development of at least one affordable housing project of approximately 25 units in the Beach Flats with all deliberate speed. To the extent that there is public participation, occupancy priority shall be given as follows:
 1. Eligible households displaced by the development.
 2. Eligible households living in substandard housing in Beach Flats.
 3. Eligible Beach Flats residents.
 4. Eligible City residents.
- The City shall encourage affordable housing projects within the Beach and South of Laurel to provide sufficient units for low and very low income residents to ensure that the lowest income levels are among those served by new housing. As much as possible, the City shall attempt to minimize the number of people relocated, for both economic and social reasons.
- For Redevelopment Agency assisted projects, the Redevelopment Agency shall monitor all construction/demolition in the Beach area for consistency with applicable law. State law allows a four-year time period from demolition/conversion of units to construction of replacement units. The Redevelopment Agency shall ensure compliance.

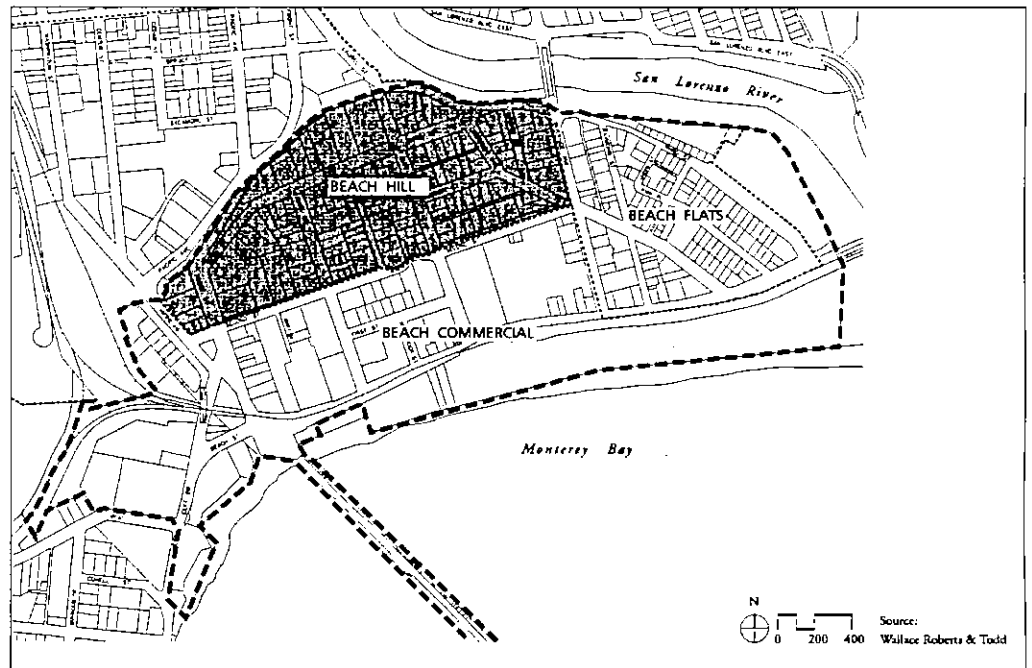


V. BEACH HILL: EXISTING CONDITIONS

V. EXISTING CONDITIONS: LAND USE & ZONING BEACH HILL

A. OVERVIEW

Beach Hill is a distinct promontory within the Beach Area. Steep cliffs define the west and northern edges along Pacific Street and Front Street. To the east and south, the area steps down gradually toward the Bay losing any semblance of height at the intersection of Leibrandt and Riverside.



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Figure 18

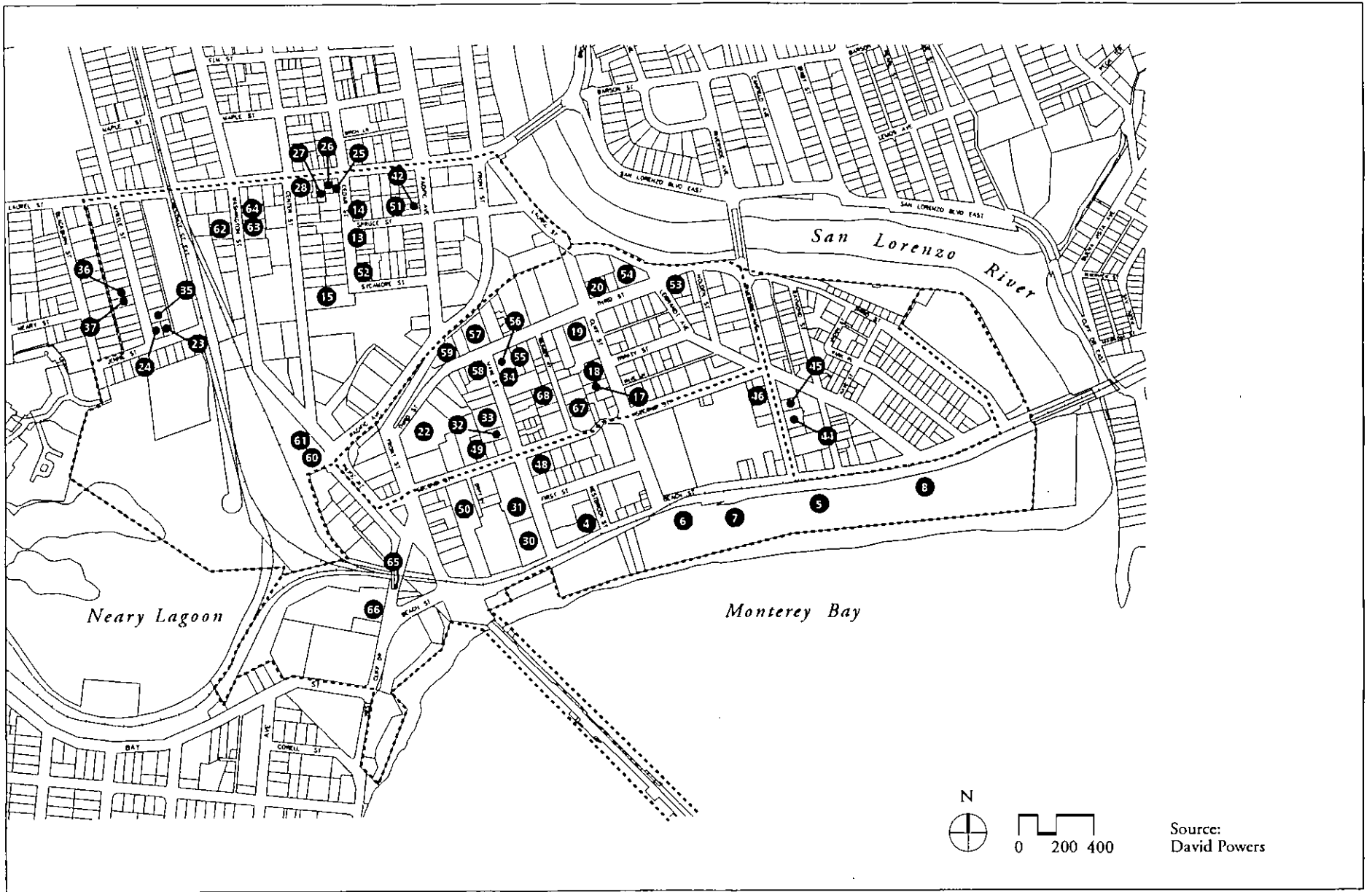
Beach Hill Boundaries

B. NEIGHBORHOOD CHARACTERISTICS

1. Overview

Beach Hill evolved with the commercial and recreational success of the Beach area. For a period of approximately 20 years, from the mid-1870's to the mid-1890's, prominent ship captains, bankers, and entrepreneurs displayed their wealth through the construction of large Victorian mansions at the highest point overlooking the Ocean. Gradually Third Street became lined with grand and imposing structures, each with extensive porches, turrets, and ornamentation characteristic of the age.¹

¹ There is an extensive and illustrated discussion of these magnificent structures in Gibson, *Santa Cruz Waterfront*, 1997.



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Figure 19

Historic Building Survey

It is these large scale Victorian residencies which are the most notable characteristic of Beach Hill. The City's *Historic Building Survey*, designed to identify historic and architecturally significant structures deserving preservation, has identified 18 buildings within the Beach Hill neighborhood.²



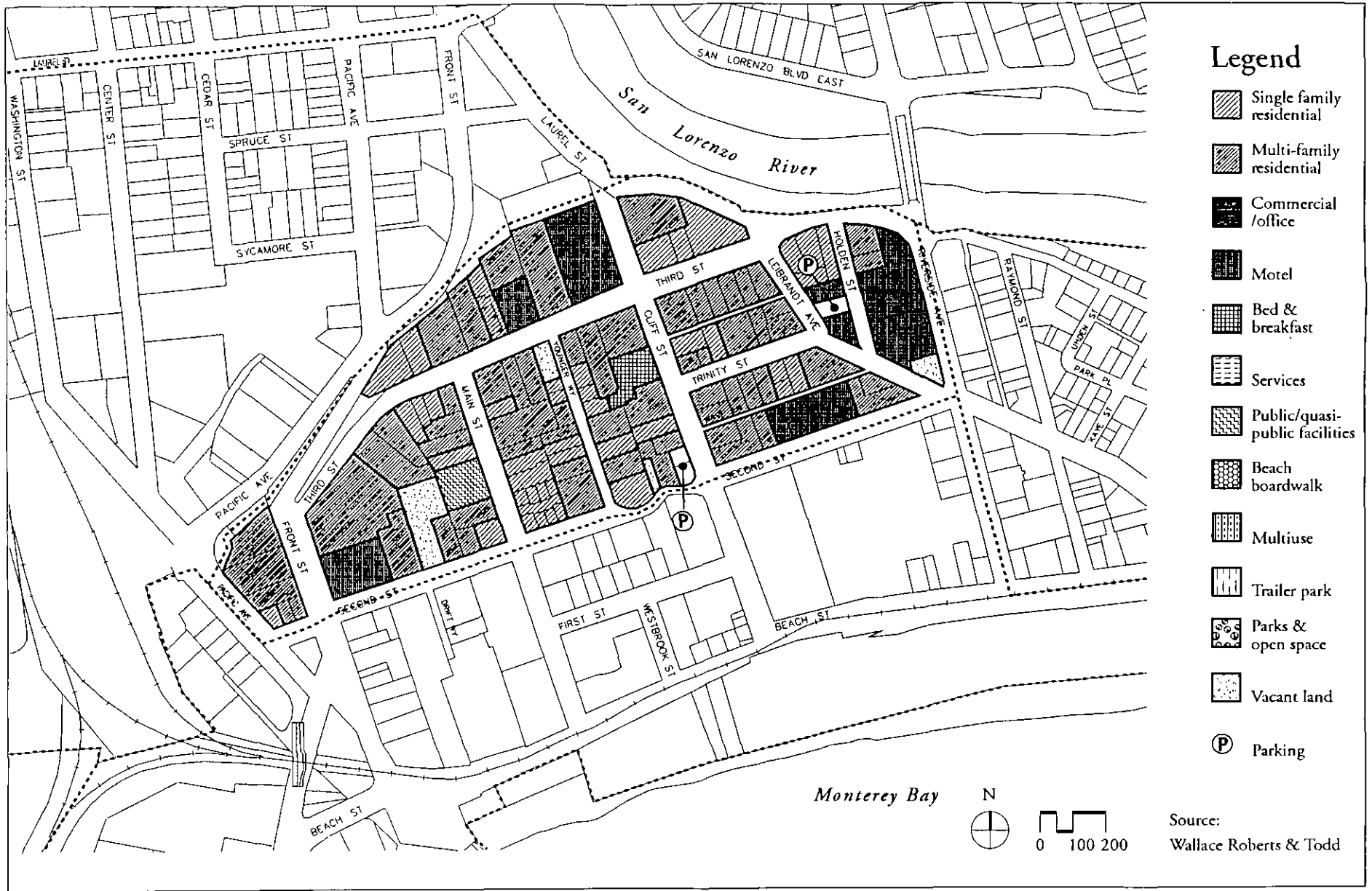
2. Existing Land Uses

Beach Hill represents a genuine mixture of residential land uses. Like other neighborhoods in the Beach Area, the overall character is dense due to small lot sizes and building separations and fairly large scale buildings in relation to lot sizes. However, unlike other neighborhoods in the Beach, it has a substantial number, approximately 20%, of owner-occupied single-family dwellings. The majority of the 354 residential units are in sound condition and well maintained.

The Beach Hill area covers approximately 40 acres and contains primarily residential uses, with hotel use located at the fringes of the area. There are approximately 354 permanent residential units and a 163 bed retirement community, resulting in a population of approximately 980 persons, at a population density of 2.3 persons per household.

As the following Figure illustrates, there is an extensive mixture of single-family dwellings with apartments, condominiums, and motels. While Younger Way is predominantly single-family, Cliff Street represents an eclectic mix of apartments, single-family and bed and breakfast usage. Third Street, once the principal residential boulevard of Beach Hill, still retains a number of majestic Victorians interspersed with motels and multiple family dwellings.

² As cited in David J. Powers & Asso., *Beach Area/South of Laurel (BA/SOLA) Master Plan Area*, 1996, p.32-7.

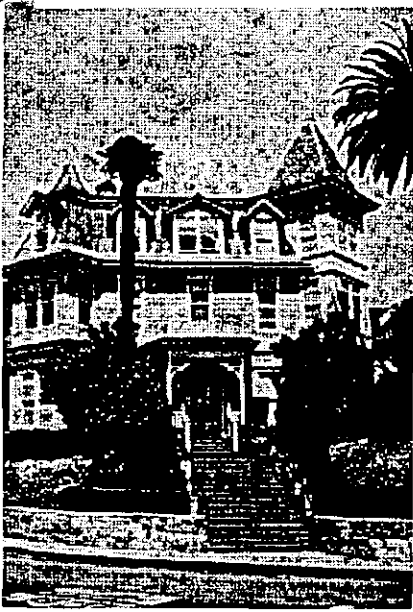


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Figure 20

Beach Hill Land Use



Much of the history of this area can be seen in the changing fortunes of one building – the Sunshine Villa.³ Constructed as a cottage in the 1850's for one of Santa Cruz's 49er's, Dr. Francis Kittredge, it was transformed into an elegant hotel in 1883, and converted into a private residence in the 1890's.

By the 1930's, the house was once again functioning as a hotel – the McCray Hotel – but gradually declined during the post-war period. By the 1980's, this once grand residence had become a haven for vagrants and drug dealers. With a great deal of effort, the structure was reclaimed by a local architect and converted and expanded into the 163 bed Sunshine Villa Retirement Community which now anchors the corner of Third Street and Front.

The changing nature of land uses in Beach Hill is seen in the concentration of motel uses around its perimeter. While the principal residential core is centered on Main, Younger, Third and to some extent Cliff Streets, extensive motel use, approximately 180 rooms, characterizes the west side of Riverside, Leibrandt, lower Second Street and the corner of Second and Front Streets. There are also two older motels interspersed along Third Street near Cliff.

The majority of these motels were constructed during the postwar years, and their long, linear style and flat roofs, typical of auto court architecture, detract from the overall architectural richness of the area.



Additionally, several of the older, smaller motels and multi-family dwellings particularly along Riverside and Second Streets are very poorly maintained and in need of substantial rehabilitation.

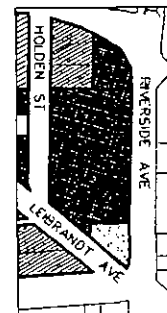
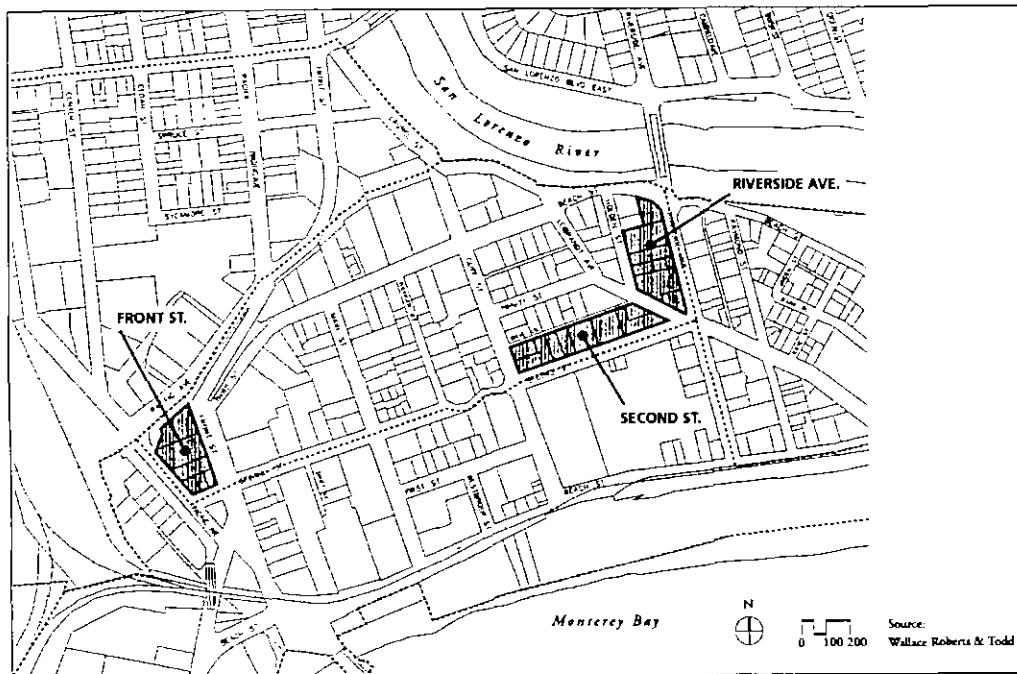
³ Gibson, *Santa Cruz Waterfront*, p.6-7.

3. Issue of Neighborhood Edges

Neighborhood integrity often begins to fray at the edges. This is true of Beach Hill. It is particularly true where commercial motel and older apartment uses have little or no physical relationship to the rest of the neighborhood and suffer from the lack of maintenance and reinvestment.

There are three specific "edges" to Beach Hill which are showing signs of stress. They are:

- Riverside Avenue,
- Second Street, and
- the west side of Front Street.



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City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 21

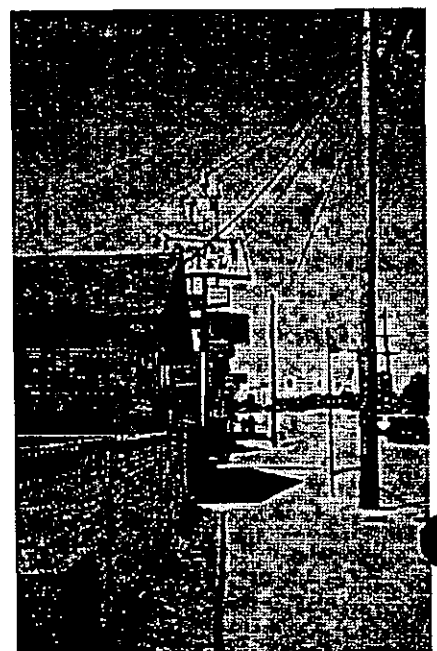
Beach Hill Neighborhood Edges

Riverside Avenue

The west side of Riverside Avenue is lined with four budget or non-brand motels, totaling 60 rooms, and one vacant corner lot used as paid parking during the season.

While the specific issues regarding lodging industry functioning will be addressed in a later chapter, it is important to note here that Riverside Avenue is the gateway to the Beach and the eastern portal to Beach Hill. While one of the properties has recently been renovated, there are clear issues of maintenance, code enforcement and spill-over parking associated with the remaining motels.

The pressures associated with this commercial use are evident most particularly near the intersection of Riverside, Second Street and Leibbrandt.

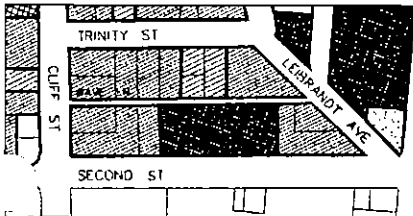


Second Street

The second critical edge to Beach Hill is Second Street which forms the border and provides a transition between commercial and residential uses. The earlier, excellent 1980 *Beach Area Plan* addressed issues of traffic circulation on Second Street, and due to its recommendations upper Second Street between Cliff and Main was narrowed and landscaped.

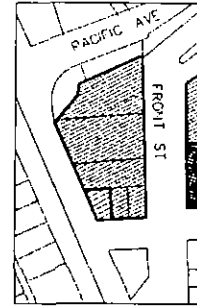
Of concern today, is lower Second Street, between Cliff, Leibrandt and Wave Lane, and across from the Main Beach parking lot which serves the national visitor attraction of the Boardwalk. This block maybe one of the most densely populated blocks in the City. There are 56 small scale multi-family units, and 52 motel units which tend to convert to monthly rentals at the end of the summer season.

In addition to serious overcrowding in some of the units, the area also suffers from the adverse impact of intense traffic congestion during the Season. The half block closest to Leibrandt and Riverside is an area clearly "at risk," reflecting lack of maintenance, overcrowding, and the total absence of any buffering between residential and commercial uses.



West of Front & East of Pacific

The final area of concern is the isolated small block located between Pacific Avenue, Front Street and Second – a neighborhood truly on the edge. It is composed of thirty-six units in small scale houses and cottages dating from an earlier era. While these houses have a certain charm about them, the majority of the properties are in need of significant exterior maintenance. The northernmost property, still sporting an old motel sign, is a concentrated collection of summer cottages which once served visitor uses.



Earlier planning studies of Beach Hill have not incorporated this block into their analysis. This may be because of the great width of Front Street at this section, as well as the fact that these homes stem from a later era than the Victorians across the street.

However, visually, this block could play a prominent role in effectively enclosing this edge of Beach Hill and in establishing a boulevard effect for approaching the Wharf. It is the first residential streetscape a driver sees after leaving the downtown on Pacific Avenue. If this side of Pacific Avenue were brightly refurbished – in a manner similar to the “painted ladies” effect of the small Victorians across the street – a charming western border to Beach Hill and a pleasing entryway to the Beach and Wharf could be created.

C. ZONING ON BEACH HILL

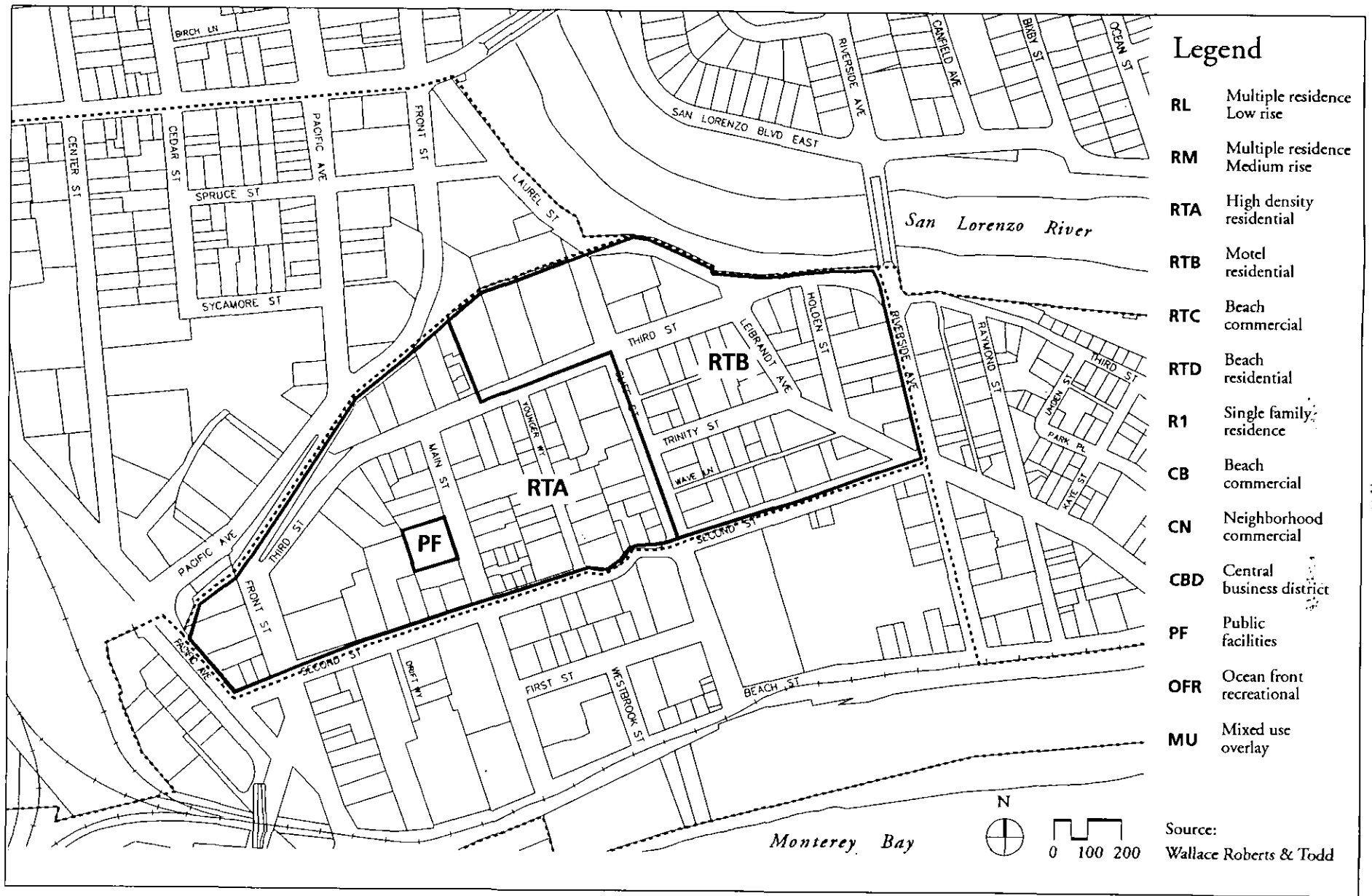
1. Overview

Zoning was revised in 1975 with the desire to stabilize and upgrade the area through an R-T, Tourist Residential zone [24.10.600]. The purpose of this zone is “to establish a zoning district to accommodate a mix of residential, motel, and commercial land uses and to preserve historical buildings and tree within the district.” The R-T zoning category has 4 subdistricts: High-Density Residential (RTA); Motel Residential (RTB); Beach Commercial (RTC); and Beach Residential (RTD).

Two of these zones are applied to Beach Hill. They are RTA and RTB. [See following map]

2. RTA - High Density Residential

The purpose of RTA, which has been applied to the western half of Beach Hill, is to “establish standards for high-density residential uses which promote and protect the residential characteristics of the subdistrict and provide a suitable environment for its residents.”



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Figure 22

Existing Zoning, Beach Hill

Additional purposes are “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 general, all types of residential units – from single-family to multiple dwellings of 9 units or fewer – are allowed subject to approval of an administrative use permit and a design permit. Larger residential uses, bed and breakfast inns, and public and quasi-public uses are subject to a special use permit. Motel uses are not allowed. Maximum allowable height for 3 units or more is 55 feet.

Zoning Issues: RTA

The current *General Plan* designation for Beach Hill is for medium density development – up to 30 units an acre. The definition of RTA states that it is for “high density” residential/motel uses, up to 55 units an acre. In the following chapters recommendations will be made to bring the language of the zoning text into conformance with the General Plan designation.

The motel at the corner of Second and Front Streets is a non-conforming use. This planning effort offers an opportunity to enhance its compatibility with the rest of the neighborhood. Specific recommendations will be proposed in the chapter on “Land Use Recommendations: Beach Hill.”

3. RTB-Motel-Residential

The **purpose** of RTB, which has been applied to the eastern half of Beach Hill, is to “establish and control uses to ensure a compatible mixture of uses address the needs of residents and tourists. Dominant uses contemplated are motel and high-density residential uses.”

Additional purposes are “to encourage a mixture which is attractive to both permanent residents and tourists, emphasis will be placed on compatibility in design, landscaping, and a comprehensive review of use siting.”

In general, all types of residential units - from single family, to family daycare/foster family homes, multiple dwellings of less than 9 units and boardinghouses, are allowed subject to approval of an administrative use permit and a design permit. Coffee shops, community care facilities, motel, hotel and bed and breakfast inns, larger multiple dwellings and retirement homes are subject to a special use permit. Maximum allowable height for 3 units or more is 55 feet.

Zoning Issues: RTB

Within the zone, reference is made to “motel, hotel, and bed and breakfast inn uses, including both permanent residential and transient residential uses.” [24.10.612 (2)a.] In discussing issues relating to the functioning of the lodging industry in the Beach Area in a later chapter, the problem of adverse neighborhood impact of the alternating conversion from transient to permanent residential use without minimal code or standards is addressed.

A second zoning issue in the RTB zone is that of the functioning and viability of lower Second Street. A proposed rezoning, offering greater flexibility to incorporate commercial uses, permit companion redevelopment with the construction on the Main Beach Parking lot, and ensuring greater design control over any new structure will be discussed in the recommendations chapter.

VI. BEACH HILL: RECOMMENDATIONS

VI. RECOMMENDATIONS: LAND USE & ZONING BEACH HILL

A. OVERVIEW & PURPOSE

Beach Hill is not a “neighborhood at risk” as is Beach Flats, but it is in need of assistance. This need is reflected in the land use conditions at the edges of the residential core, particularly along Riverside and Second and on the small block of residential properties along Front Street.

Additionally, this elevated neighborhood whose fortunes have ebbed and flowed with the fortunes of the commercial area at its perimeter, is in need of stronger definition of where it begins and where it ends to protect it from tourist related penetration as well as increasing local traffic along Third Street.

B. PLANNING POLICY

1. Overview

Since 1975, when design permit requirements were added to the zoning on Beach Hill, the desire to improve functional relationships between land uses and promote better overall design has been a consistent policy theme.

The basic policy for this area was defined in the *City of Santa Cruz Beach Area Plan*, adopted in July, 1980. Its major policy recommendations have been incorporated into the *City of Santa Cruz General Plan and Local Coastal Program, 1990-2005*, II, “Beach Area Plan Summary,” p.5-12.

2. Policy Framework

The basic policy regarding Beach Hill to date has dealt primarily with the important issues of traffic impact and design. Among the primary policies cited in the 1980 *Plan* and the *General Plan* are:

- a. Protect and enhance the unique historical, archaeological, architectural and aesthetic qualities which are present in the Beach Hill subarea.
- b. The scale, height, bulk and color of new or expanded physical development should reflect and strengthen the best existing examples in the immediate vicinity of the Beach Hill area.
- c. Preserve existing landscaping and encourage new landscaping which will emphasize the visual prominence of Beach Hill. Emphasis should be placed on indigenous forms.
- d. New development on the bluffs of Beach Hill subarea should visually emphasize and enhance this natural topographic resource.

- e. Reduce the volume of traffic, redirect beach-oriented parking to expanded public parking sites and improve pedestrian accessibility, safety and circulation in the Beach Hill subarea.
- f. Allow projects at the lower end of the General Plan density range.
- g. Develop entry point to Beach Hill that will visually identify this subarea and discourage through automobile traffic.

In addition to these policies, the 1996 *Beach Area Plan Strategy* addressed the Beach Hill residents' strong desire to protect and enhance the quality of life in the neighborhood and to limit impacts from surrounding tourist serving uses. To do this, the *Plan Strategy* recommended that :

- an Historic District be established, and
- the summertime permit parking program be maintained and the reconstruction of the Laurel Street extension be promoted.

3. Summary of Policy Proposals

The adopted policies listed above are designed to improve the quality of life in Beach Hill by protecting and enhancing its magnificent historical assets, encouraging compatible design in rehabilitations and new development, and establishing clear neighborhood gateways.

These policies have worked well for the central historic core of the neighborhood. However, as the above analysis has indicated, there are significant signs of both weariness and distress along the perimeter of this planning area, in particular along Riverside Avenue, Second Street and Front Street. It is crucial to the future health of this neighborhood that its boundaries be stabilized and improved.

In recommendations below a planning approach will be offered which seeks to strengthen neighborhood cohesiveness and addresses the blighting issues of maintenance and code enforcement in both the residential and commercial uses in the edge areas.

C. RECOMMENDATIONS: NEIGHBORHOOD CONSERVATION STRATEGY

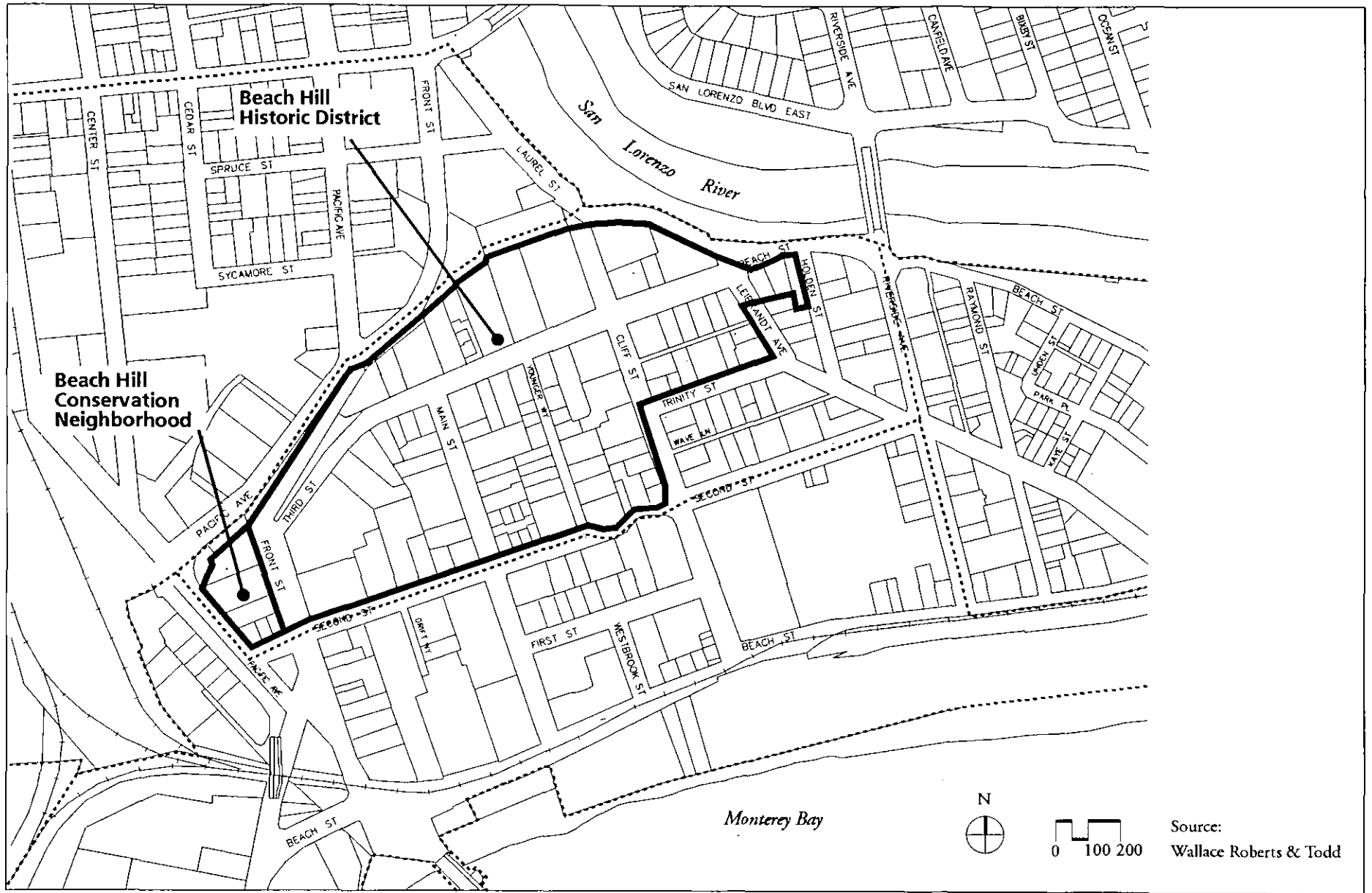
The clear intent of the following recommendations is to devise a multi-faceted program of aggressive neighborhood conservation procedures in tandem with long-term investment by individuals and the City in this historic neighborhood. The following recommendations address issues raised in the Existing Conditions report of historic preservation, small scale rehabilitation, zoning, neighborhood edges and gateways and code enforcement.

1. Recommendation: Historic Preservation District

The principal element of the neighborhood conservation strategy being proposed for Beach Hill is to formally designate this area as an Historic Preservation District.

Recommended elements of this proposal include:

- expansion of General Plan proposed boundaries to include properties between Leibrandt and Holden [See following Map], and



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Figure 23

Proposed Beach Hill Historic District



- recommendation for staff analysis of the incentives provided for maintenance of the Mills Act and its applicability to Beach Hill.

Expansion of the boundaries would require a change to the Cultural Resources Map, CR-3.

2. Recommendation: Front Street Conservation

In addition to placing the block between Front and Pacific into the Historic Preservation District, this study recommends designating this small isolated block at the western edge of Beach Hill a "Conservation Area".

This designation would include the program elements, discussed in detail in the Chapter on Recommendations for the Beach Flats Conservation Area.

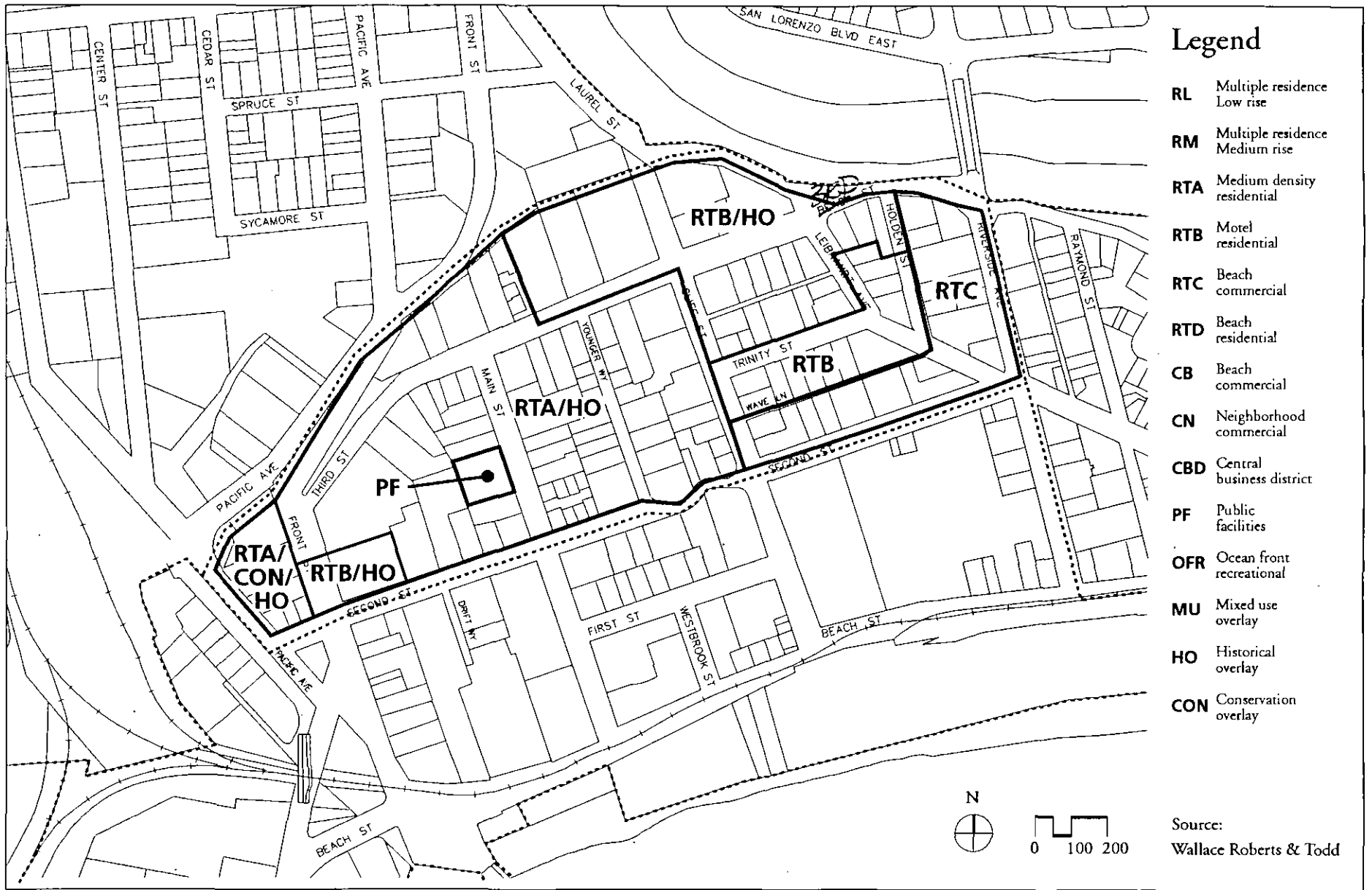
Among the program elements are:

- new code enforcement measures targeted to area,
- interior and exterior maintenance program, with technical assistance and grant assistance,
- home ownership program.
- design guidelines governing new development and rehabilitation.

3. Recommendation: Rezone Riverside Avenue to RTC

The eastern edge of Beach Hill is bounded by Riverside Avenue which has a distinctly different character and function from the core of the residential neighborhood. Riverside is a major arterial, lined with motels, and the principal gateway for visitors coming to the recreational facilities of the Beach and the Boardwalk. It relates directly to the Beach Commercial Area and shares the same *General Plan* designation of RVC, Visitor-Serving Commercial. However, its zone is RTB, Motel-Residential.

This study recommends rezoning to RTC Riverside Avenue between Third Street, Holden and Leibbrandt. [See following map]



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Figure 24

Proposed Zoning, Beach Hill

Rezoning this area to RTC, Beach Commercial, would be consistent with existing *General Plan* designation of this area, consistent with the existing character of the Street, and provide for the potential integration of other visitor support services such as retail and restaurant uses as the area redevelops. Only one small property at the northwest corner of Riverside and Leibrandt is vacant.



Additionally, this rezoning may promote the rehabilitation of existing motel uses and may stimulate the redevelopment of underutilized sites. Development standards will be proposed for all projects within the RTC zone. Design Guidelines, which incorporate architectural and landscaping requirements, are a part of this Plan and are incorporated by reference.

4. Recommendation: Stabilize Lower Second Street

Lower Second Street, between Cliff, Leibrandt and Wave Lane, and across from the Main Beach parking lot forms the southern edge of Beach Hill. The half block closest to Leibrandt and Riverside is an area clearly “at risk”, reflecting lack of maintenance, overcrowding, and the total absence of any buffering between residential and commercial uses.

In conjunction with Riverside Avenue, this portion of Second Street acts as a perimeter to Beach Hill, and the major arterial and gateway for the majority of visitors coming to the Beach in their cars. The adverse impact of this traffic congestion which is constant during the season, is a serious deterioration in the quality of residential life.

This study recommends a comprehensive approach toward dealing with these issues.

- **Intensify Code Enforcement.** Include area in code enforcement initiatives proposed for the Beach Flats.
- **Buffer Traffic:** Discuss additional landscaping/buffering of Main Beach parking lot with owners. As the area redevelops, revisit the existing circulation pattern to reduce transportation impacts on this Street.
- **Rezone from RTB to RTC** to permit companion redevelopment with Main Beach lot.
- **Place in Beach Commercial Overlay District** to encourage compatible development and residential mixed use.

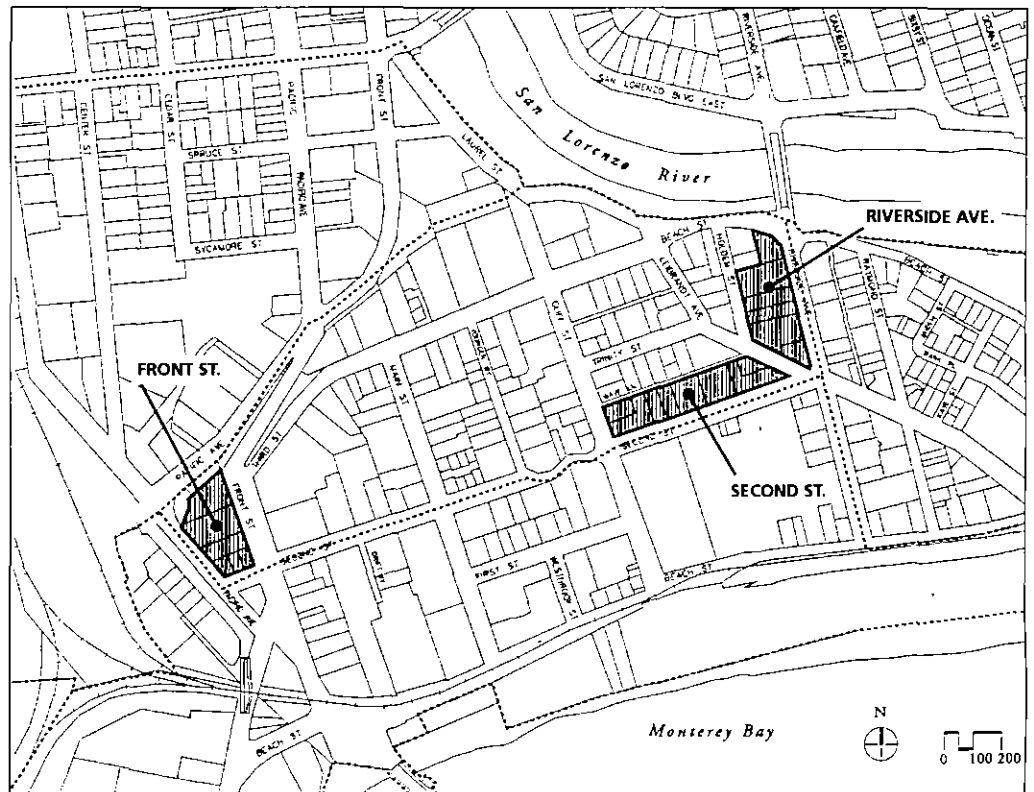
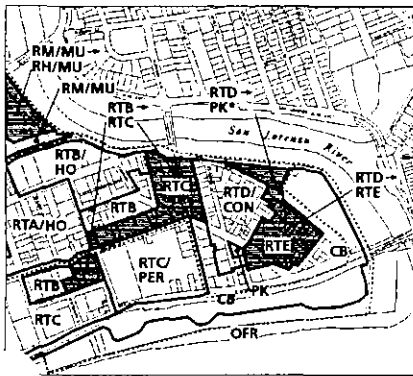
Currently this area is developed with 52 motel rooms and 54 multi-family units. It is designated in the *General Plan*, as is the rest of Beach Hill, for medium density residential, but the fact is that its actual functioning is as high density residential and motel uses.

Rezoning this block and placing it in the Beach Commercial Overlay District would provide for the development of residential/mixed use projects in this high impact area. It would also allow for the incorporation of visitor serving retail as the Main Beach parking lot develops. However, it is anticipated the retail locating on Second Street would more likely be small scale local serving uses.

The height flexibility of the Beach Commercial Overlay Zone would provide for the construction of higher density housing on this site. Such a development may serve to anchor this crucial southern edge of Beach Hill.

Currently this area has a General Plan designation of Medium Density Residential (M) and a zone of RTB, Motel Residential. Rezoning this area to a RTC, or Beach Commercial zone would require a General Plan amendment to a visitor serving designation. This designation would allow the potential development of other visitor support services such as restaurants or other similar uses.

Only one property is vacant which is at the corner of Leibrandt and Riverside Ave. Changing the zone would provide a transition between a more intensive commercial corridor and the residential neighborhood behind Riverside Avenue. Additionally, it may promote the rehabilitation of existing motel uses and promote the establishment of other visitor serving uses in the corridor. Although the area is already primarily built out, promotion of new visitor support services could benefit the area.



5. Recommendation: Rezone Northeast Corner: Second & Front to RTB

The northeast corner of Second and Front Streets is currently the site of a 22 room motel, and is zoned RTA, Beach Residential use. The hotel was built in the 1950s in the long, low, flat-roofed style of an older auto-court and is not in keeping with the character of the neighborhood. Since this is a non-conforming use, existing regulations do not allow the owners to upgrade this facility.

Rezoning this parcel to an RTB designation would encourage future upgrading in a manner with is consistent with the historic nature of Beach Hill. Existing General Plan designation allows this modification without a General Plan change. This rezoning is recommended with the clear understanding any changes to the property would have to be in keeping with the architectural and landscaping requirements of the proposed Conservation as well as Historic Design Guidelines.

A summary of development potential in Beach Hill is listed in Appendix A.

6. Recommendation: Traffic Management & Pedestrian Amenities

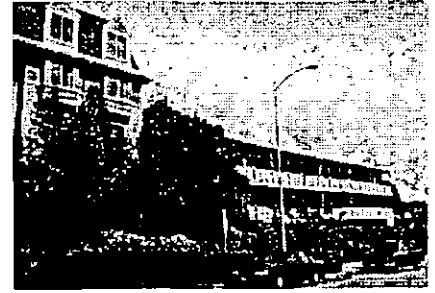
Residents of Beach Hill have expressed a strong desire to limit impacts of traffic circulation and parking. A seasonal residential parking program was instituted in the mid-1980s to address this concern.

This study recommends:

- maintaining the permit parking program to limit visitor parking,
- developing an early warning system to monitor changing traffic, parking and circulation impacts on Beach Hill as the Beach Commercial area develops, and
- implementing the proposed neighborhood gateways to help define entries to the residential area and calm traffic.

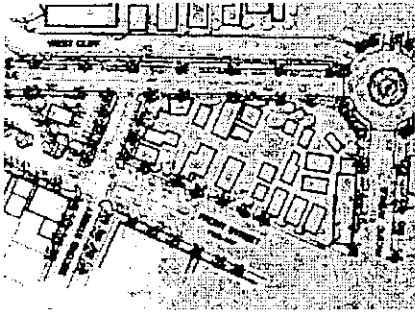
In addition to these improvements, the reconstruction of the Laurel Street Extension will serve to relieve the volume of traffic through Beach Hill.

There are two pedestrian stairways which link the heights of Beach Hill with the South of Laurel. They are located at Cliff and at Front Street. They have an historic importance and provide functional pedestrian access within the study area. Improved lighting would be beneficial for these stairways.



Appropriate new development incorporates Victorian architecture in contrast to the less compatible 1950's horizontal form and flat roof





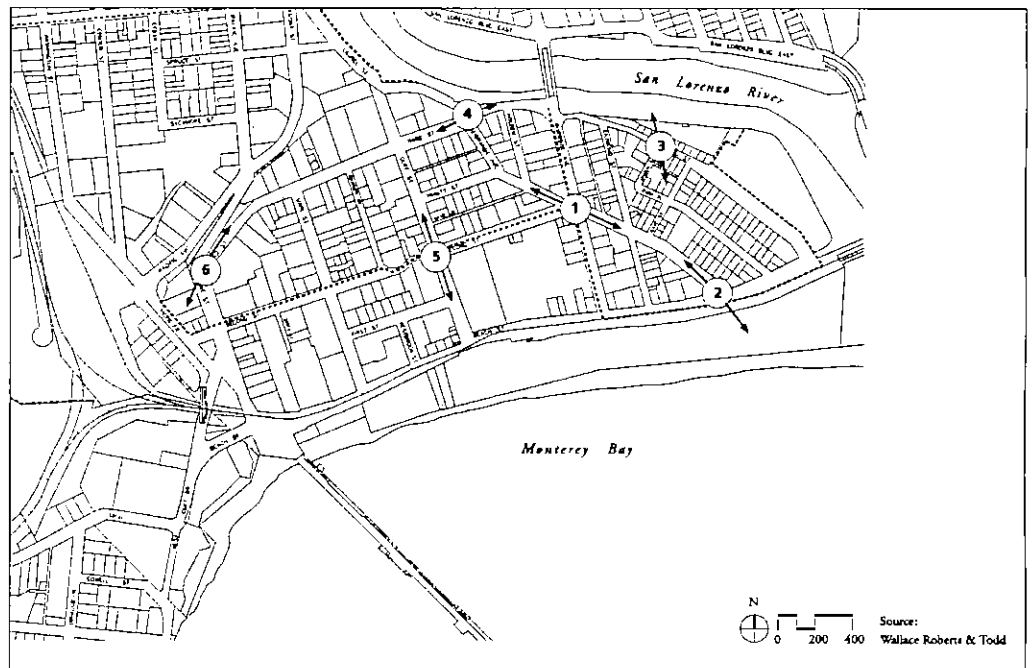
Front and Second Street

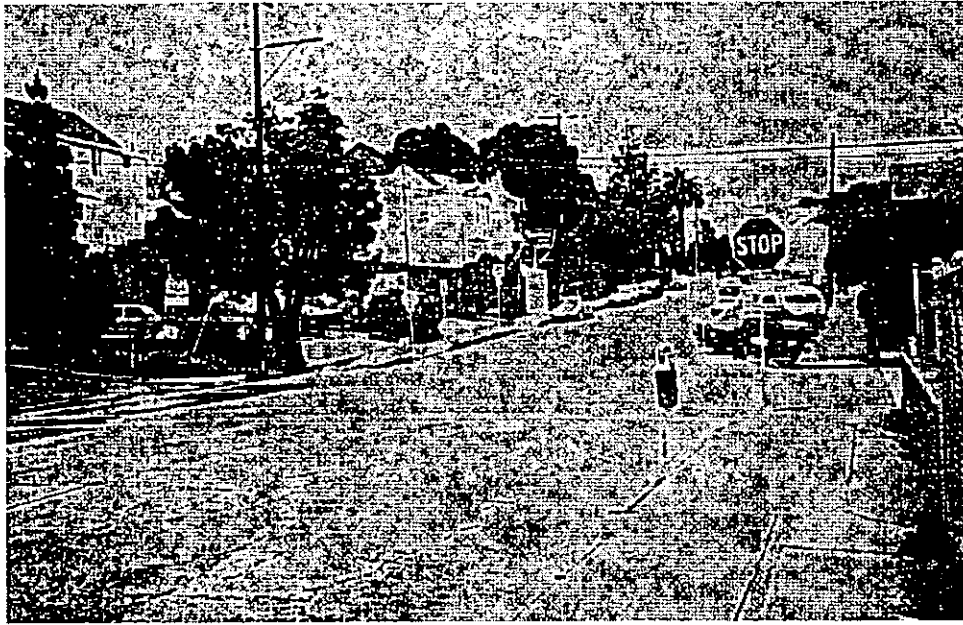
D. URBAN DESIGN : BEACH HILL

Beach Hill has a strongly established sense of place. Where cohesiveness of the neighborhood begins to weaken is at the edges. The following urban design recommendations have been developed to enhance the entryways to the neighborhood at very definable intersections.

1. Recommendation: Implement Urban Design Recommendations

- o at Front and Second Street
- o at Leibrandt and Third,
- o at Second and Cliff, and
- o at Front and Third Street.



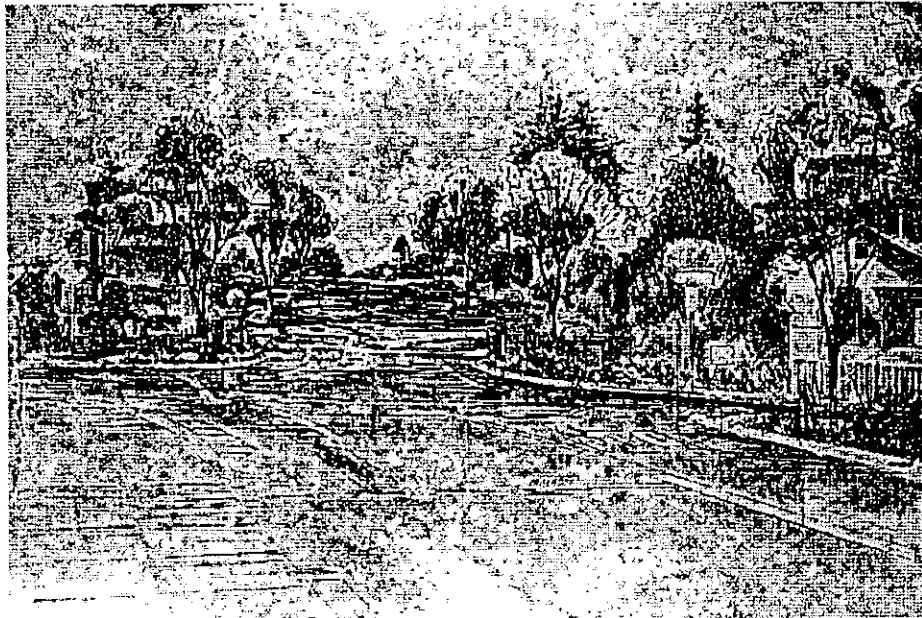


Existing Intesection: Second & Cliff Streets

The Phipps Group

City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 25



Gateway #5: Second & Cliff Streets

Illustration by Thacher & Thompson

The Phipps Group

City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 26



Existing Intesection: Third & Leibrandt Streets

The Phipps Group

City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 27



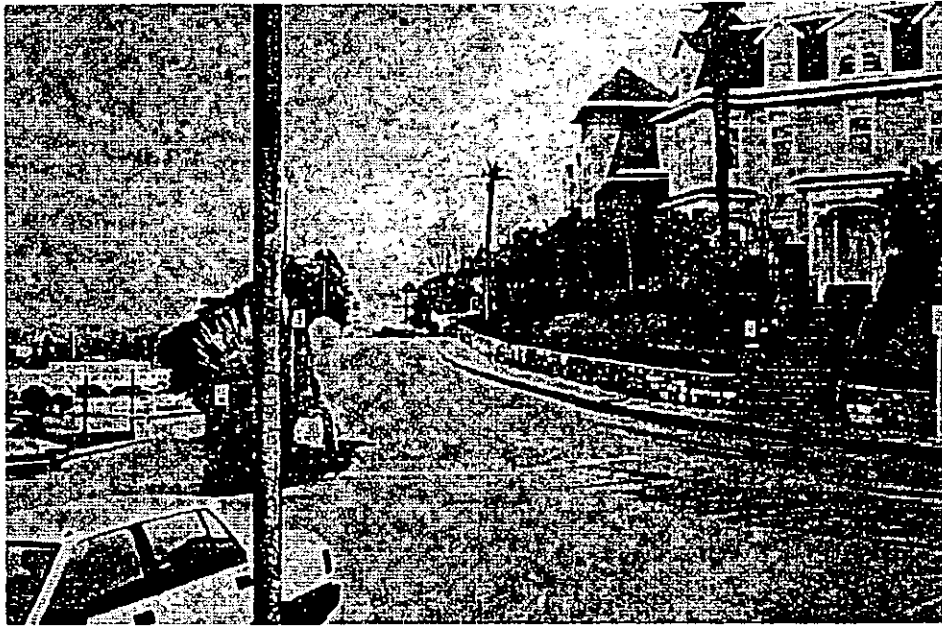
Gateway #4: Third & Leibrandt Streets

Illustration by Thacher & Thompson

The Phipps Group

City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 28

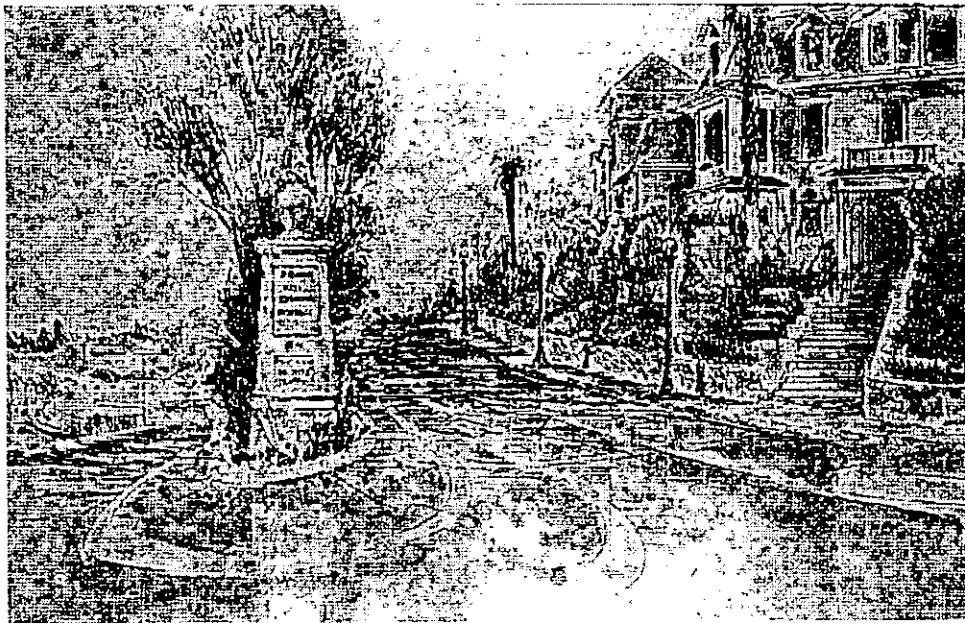


Existing Intesection: Third & Front Streets

The Phipps Group

City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 29



Gateway #6: Third & Front Streets

Illustration by Thacher & Thompson

The Phipps Group

City of Santa Cruz - Beach/South of Laurel Area Plan

Figure 30

E. DESIGN GUIDELINES: BEACH HILL HISTORIC

During the course of this planning effort, a separate handbook titled, *City of Santa Cruz Beach and South of Laurel Area Plan Design Guidelines*, Lettieri-McIntyre and Associates,¹ was developed. This handbook should be read in conjunction with this recommendation.

The purpose of this handbook was to establish procedures which would ensure orderly and attractive private and public development. It provides general and specific guidance for seven distinct land uses and densities. Based on the goals and objectives of this planning effort and the General Plan, the *Design Guidelines* identify specific community characteristics which pertain to Beach Hill. Based on these characteristics, the Guidelines provide specific design guidance for the Historic Core as well as the perimeter.

In general, the Guidelines call for adherence to the Victorian Design theme. Developments outside the Preservation Area are required to contribute to the overall design improvements for the area. Victorian, Spanish Colonial Revival and other traditional architectural themes are recommended and may be required depending on the project's proximity to nearby buildings that exhibit distinct architectural styles. If the area becomes an *Historic District*, then properties designated as "historic" will have to comply with the Secretary of Interiors standards when undergoing renovation.

Additional design guidelines for commercial and hotel and motel developments on Riverside Avenue are included in the Guideline's requirements for Beach commercial.

1. Recommendation: Adopt Design Guidelines

This study recommends the review and adoption of the Design Guidelines and the modification of the existing Design permit regulations (Sec.24.08.410) to require a Design Permit in the Beach and South of Laurel Planning Area for all residential, commercial, industrial or mixed-use building additions exceeding 15% 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).

¹ Draft, September, 1997.

VII. BEACH COMMERCIAL: EXISTING CONDITIONS

VII. EXISTING CONDITIONS: LAND USE & ZONING BEACH COMMERCIAL AREA

A. OVERVIEW

The Beach area has always played a central role in the history of Santa Cruz. In the mid-19th Century, with the construction of its first wharf in 1849,¹ and the development of California's first ship-building center near the mouth of the San Lorenzo River, the area seemed destined to evolve as a major industrial port-city.

However, even as sea captain's homes began to line the impressive heights of Beach Hill and West Cliff Drive, there were signs that the future economy, while still ocean dependent, was not to be solely industrial. For even in these early days seamen's wives began taking in seasonal boarders who came seeking summer sunshine and a better climate.²

While a second and a third Wharf was constructed in 1855 and 1864 to handle freight related to lumber and fishing, and a railroad spur was added ten years later, large boarding houses and small hotels were being constructed along what was to be known as Front Street and later Pacific Avenue.

By 1865, the Seaside Home Hotel had opened, and by early 1870, the first of many elegant tourist hotels was constructed on the site at the corner of Beach and Main Streets adjacent to the Steamship Wharf.



¹ Sources indicate two separate dates for construction of the first wharf. R.E. Gibson, *History & Future of the Santa Cruz Waterfront*, (1997), states that the first wharf was constructed in 1848, p.4. The *City of Santa Cruz Beach Area Plan*, (1980), cites 1853 as the appropriate date, p.4.

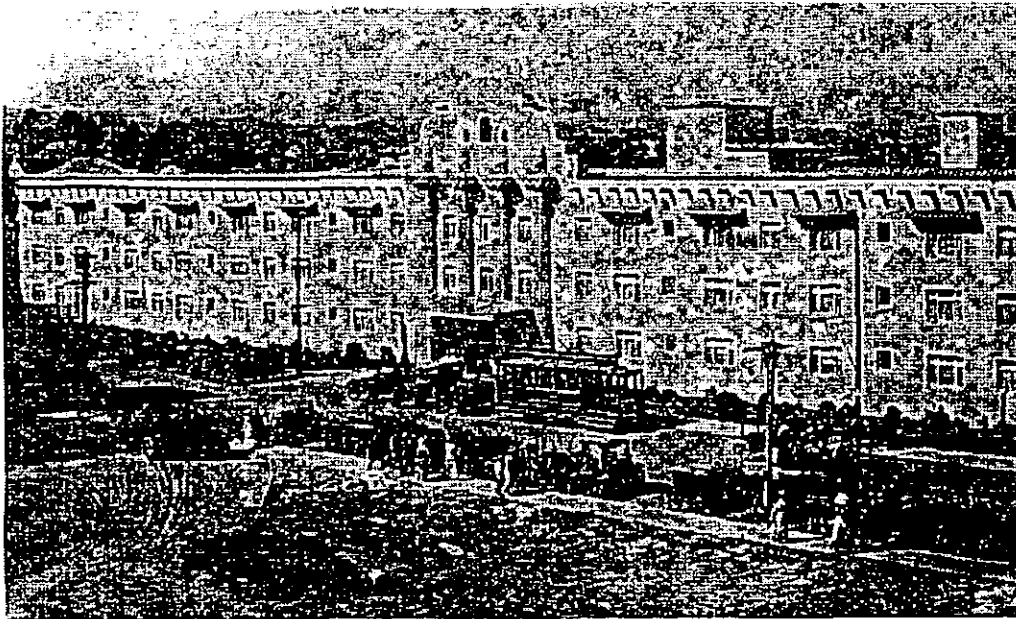
² Historical background is taken from: R.E. Gibson, *History & Future of the Santa Cruz Waterfront*, 1997, and *Empire of the Casa del Rey*, 1997; as well as Philip Williams & Associates, *San Lorenzo River Enhancement Plan*, 1988, and the excellent 1980, *City of Santa Cruz Beach Area Plan*.

Gradually this building expanded into the famous Sea Beach Hotel which burned to the ground in 1912. It was replaced by a large, Spanish Colonial style, private residence which today operates as the Casa Blanca Inn.



The nature of the area was dramatically changed by two events. In 1876, the railroad arrived on Beach Street, making visitor access to Santa Cruz for the first time both convenient and affordable. And in 1882, the old, high wharf – the symbol of the Beach area's industrial aspect – which extended from the corner of Second and Main Streets out into the Ocean was torn down, opening up for residents and visitors a panoramic view of the Bay.

With the arrival of the energetic entrepreneur, Fred Swanton at the turn of the Century, the future of the Beach as a major tourist destination was secured. He opened the first Boardwalk Casino in 1904 and rebuilt it on a grander scale in 1907 after a devastating fire. By 1911, Swanton had completed the 300 room majestic hotel, Casa del Rey at the corner of Cliff and Beach Streets and moved many of the small cottages which had occupied the site eastward to the area now known as Beach Flats. In 1926, the La Bahia Apartments were constructed by the Seaside Company to provide vacationers with extended stay facilities.



The advent of the Depression, followed by World War II brought an end to the halcyon days of this early tourism. Even before 1929 however, the nature of Beach tourism was changing. By 1921, with Highway 17 paved in concrete, automobiles had changed the character of the typical tourist from the relatively affluent visitor from the San Francisco area who would stay in a hotel for two weeks or two months, to the day visitor who might stay the weekend at an auto-court, but more likely would spend the day at the Boardwalk and the Wharf and then return home.³

³ See discussion in B. Judd, "La Bahia Apartments, Santa Cruz, California: Architectural and Development Analysis", September, 1997.

B. BEACH COMMERCIAL AREA CHARACTERISTICS

1. Overview

In the 1920s and 30s, in response to this changing visitor demand, smaller budget and non-brand motels were constructed as replacements as the larger hotel facilities either aged or in some dramatic cases burned to the ground. The result is that the Beach commercial area today is represented by a succession of existing motels dating from the 1940's and 50's interspersed with small scale seasonal retail uses.



This history of the Beach has determined its future. Its location at the northern edge of the Monterey Bay as a maritime and major recreational center has resulted in an area which today possesses a unique blend of uses. It is the historic tourism center of the City of Santa Cruz attracting up to 2 million visitors a year; the site of the last remaining Pacific Coast Amusement Park; the location of an half-mile long historic Wharf; and home to nearly 2,700 permanent residents in the neighborhoods of Beach Hill and Beach Flats.⁴ It is this very juxtaposition of commercial and residential uses which both adds vitality to the area and raises significant planning issues.

Located within commuting distance of San Jose, one of the fastest growing metropolitan areas in the nation, the City of Santa Cruz has been subject to increasing pressures. During the past decade, due to an improving regional economy and the successful rebuilding after the Loma Prieta earthquake, the pace of change has increased. A surge in demand for housing, especially affordable housing, and a growing appreciation of the City as a place to live and to visit has resulted in major economic pressures on land uses and housing densities, on roadways, and on the City's ability to absorb the seasonal influx of visitors. Many of these pressures are concentrated most dramatically within the 120 acres of the Beach area.

⁴ D.J. Powers & Associates, Inc., *Beach Area/South of Laurel (BA/SOLA) Master Plan Area*, July, 1996, p.10.

This congestion places enormous pressures on the City's public spaces and rights of way, parking facilities and residential streets, and perhaps most importantly on the citizens who recognize signs of stress in the quality of life in this area.

Over the years, the result of this feeling has been a certain ambivalence about the Beach area – marked by a desire for improved safety and increased investment, coupled with a concern about maintaining an affordable housing inventory in the Beach Flats.

However, while many have been looking at outside impacts as the primary causal factor for decline in the Beach, as the following discussion will illustrate, there have also been significant structural changes within the very urban fabric of the Beach area. While its importance as the economic engine of tourism for the City has been maintained, this fact is coupled with changing ownership patterns in the Beach commercial area, and a notable lack of private reinvestment.⁵ The lack of reinvestment in the commercial area is matched by the decline in the adjacent residential neighborhood of the Beach Flats where there has been substantial and adverse changes in population density and homeownership patterns.

These changes which the Beach area has undergone during the past two decades make it imperative that the City take advantage of this planning opportunity to direct a series of positive and vigorous program initiatives to preserve and enhance the extraordinary assets which the Beach area possesses; that is, the waterfront, the Wharf and its maritime activities; the Boardwalk and visitor serving facilities; and the small scale as well as grand historic residential neighborhoods.

2. Beach Commercial Boundaries

The principal commercial/recreational activities of the Beach area are concentrated along Beach Street, beginning at the Wharf intersection of Pacific Avenue and Beach Street, encompassing the Wharf, the Boardwalk, and Front Street.

The core of this commercial area is essentially one block deep – bounded on the north by Second Street and on the South by the Monterey Bay.

For the purposes of this Plan, the boundaries of the Beach Commercial area extend from the west at Bay Street and West Cliff Drive, include the promontory adjacent to the West Cliff Trestle, and are bounded on the east by the San Lorenzo River and Third Street, and includes the River parking lot. This study also includes the Wharf within the Beach Commercial area. It is also important to note that while the designation of Beach Commercial ends at Second Street, visitor serving commercial uses and facilities extend up both sides of Riverside Avenue to the Riverside Bridge.

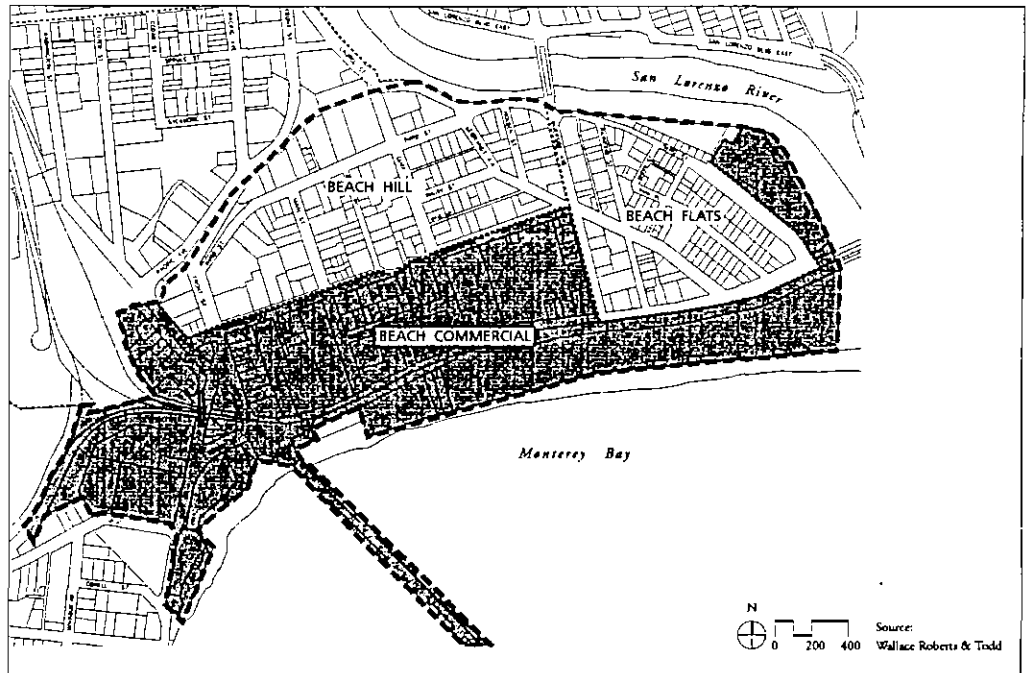
3. Beach Land Uses

Recreational Uses

The Beach Commercial area in Santa Cruz is characterized by three nationally famous recreational facilities: the Santa Cruz Beach, the Santa Cruz Boardwalk, and the Santa Cruz Wharf.⁶

⁵ With the important exception of the Seaside Company which has consistently maintained the recreational facilities of the Boardwalk.

⁶ The Beach is included by reference in the land use discussions.



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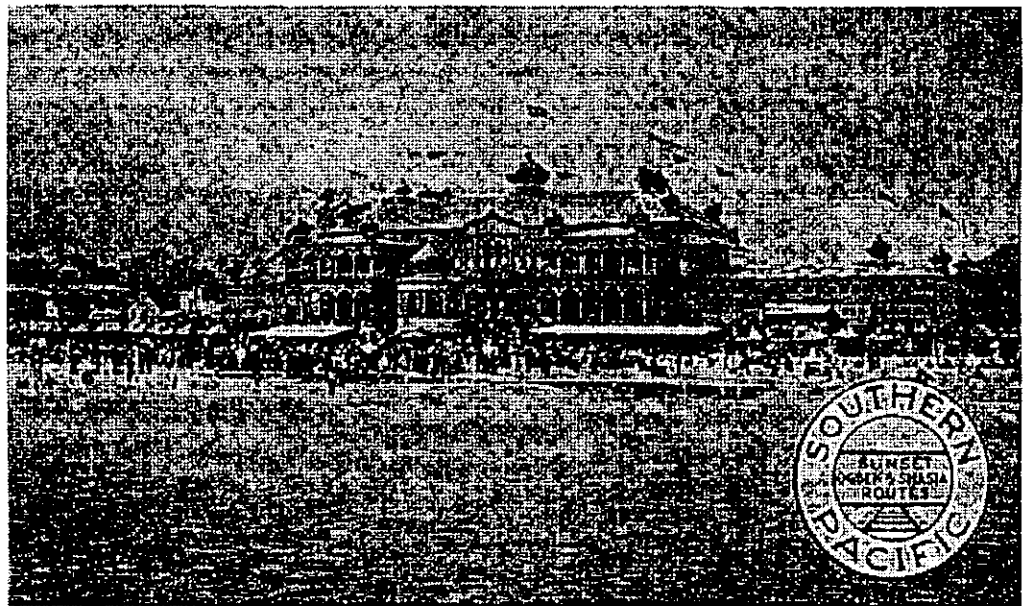
City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 31

Beach Commercial Area

The Santa Cruz Boardwalk

The Santa Cruz Boardwalk is the last remaining Pacific Coast Amusement Park in America, and was designated a California State Historic Landmark in 1989. Two of its rides, the 1911 Charles Loeff carousel, and the Giant Dipper roller coaster have been declared National Historic Landmarks.⁷



⁷ G. Kyriazi, *The Pacific Coast Amusement Parks, A Study of Their Past, Present, and Future*, (undated), Section 4: "The Santa Cruz Beach Boardwalk – A Survivor", p.19-29.

Unlike most amusement parks in the United States, the Boardwalk has no "gate fee". This is a management policy by a private corporation which provides all visitors to the City of Santa Cruz both visual openness and easy beach access, thus implementing a major goal of Santa Cruz's Local Coastal Program.⁸



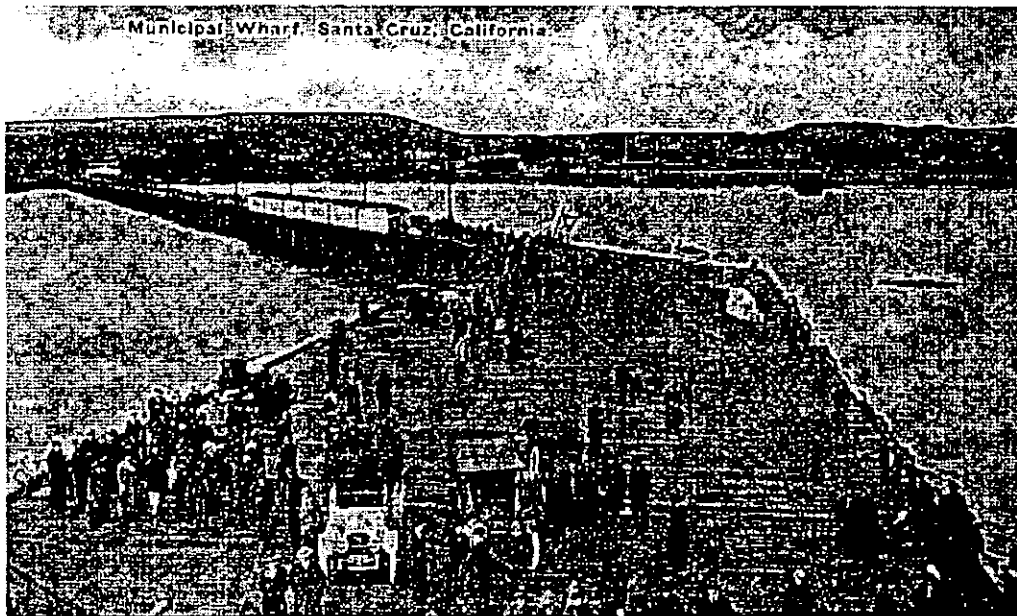
Central to Santa Cruz's past, the Boardwalk is also a key component to the future of this area. Refitted in 1981, at a cost of almost \$10 million,⁹ the Boardwalk reinvestment at that time was the central economic component of the City's *1980 Beach Area Plan*.¹⁰ Today, the Seaside Company's proposals to attract a major quality conference facility at the La Bahia and integrate it with the historic Cocomanut Grove are again stimulating renewed reinvestment interest in the Beach.

The Boardwalk is a 12-acre commercial recreational facility which contains various amusement rides totaling about 1140 seats as well as approximately 170,000 square feet of shops, restaurants, concessions, conference facilities and administrative offices. This facility is serviced by a variety of public and employee parking areas which total approximately 2201 spaces, primarily in the Main Beach and River parking lots. It employs approximately 200 full-time and 975 seasonal employees.

The Wharf

The Wharf is a City-owned facility, approximately ½ mile long, which is located above public trust land in the Monterey Bay National Marine Sanctuary. It is the longest wharf on the West Coast¹¹, and is a key City owned asset.

Evolving over the years from its original industrial beginnings, the current Wharf, constructed in 1914, is "more than a fishing pier or an assortment of restaurants and shops, the wharf provides a valuable element of the continuity in the city's historical fabric."¹²



⁸ City of Santa Cruz, *General Plan and Local Coastal Program: 1990-2005*, Vol. I, p.411-412.

⁹ *Newsweek*, August 14, 1989, "Down by the Boardwalk".

¹⁰ *Plan*, p.iii.

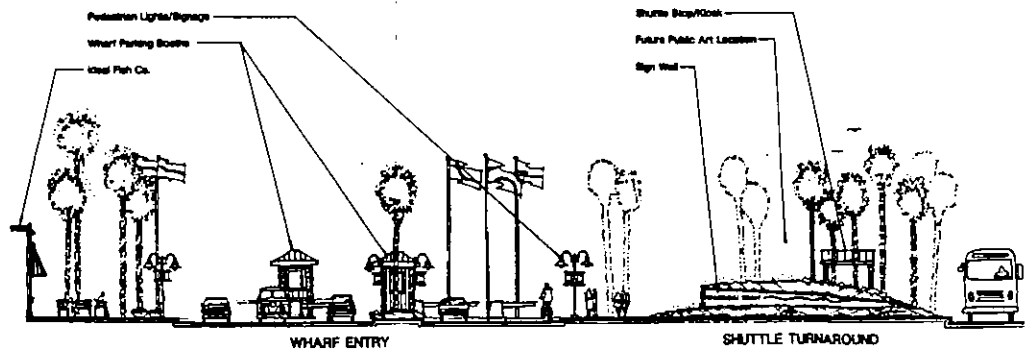
¹¹ Brochure: "Welcome to the Santa Cruz Wharf."

¹² The *1980 Plan* carried out a specific design analysis, p.74.

Because of the central importance of the Wharf as both a City owned and managed asset and as an integral component of the Beach Commercial area, the *1980 Plan* identified the goal of "improving the wharf's connections with the surrounding shoreline." (p.74). To that end, significant design and physical improvements were proposed and carried out. The basic substructure of the Wharf has been renewed during the past decade, and major aspects of the *Beach Street Promenade Design Plan* (1991)¹³ have been implemented.

The result of this work is the reconstruction of the Wharf intersection which serves both to improve pedestrian access and enhance the sense of arrival, providing for a shuttle turnaround, wharf ticket gates, a boardwalk connection from the Wharf to the Promenade and improved sidewalk and lighting.

The Urban Design recommendation of this Plan has been guided by these earlier studies and continues their general direction.



Wharf Intersection Elevation - Beach Street Promenade
Callander Associates

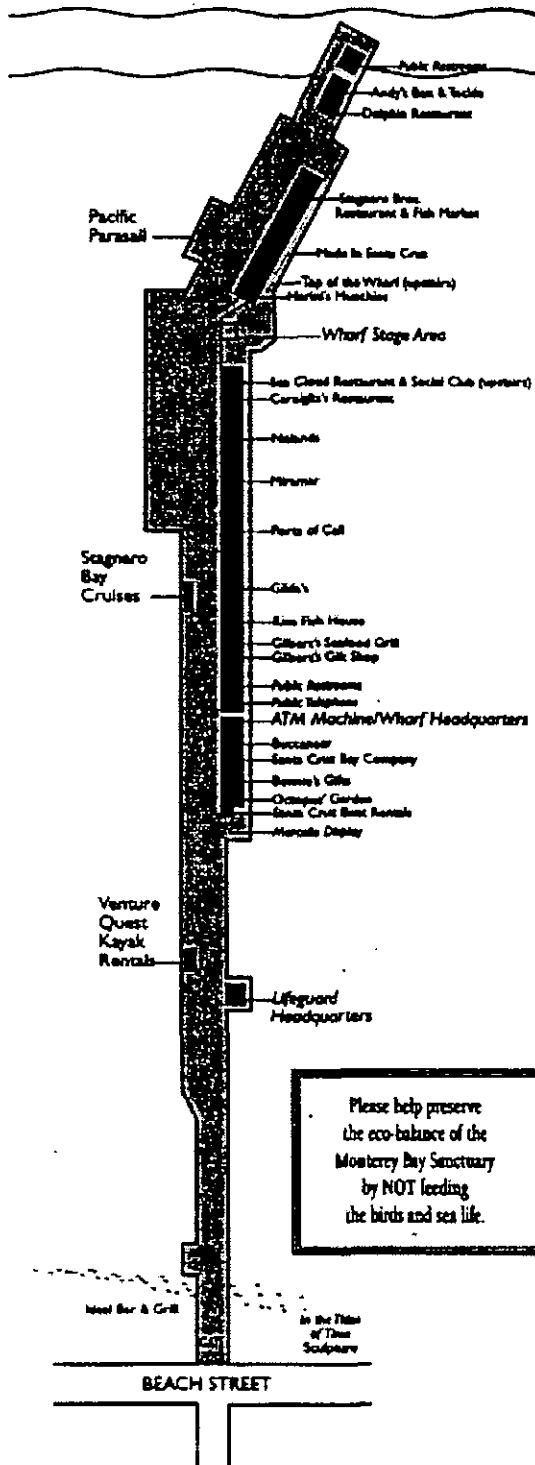
In addition to these physical improvements, the Department of Parks and Recreation in conjunction with the Redevelopment Agency have begun a series of program and management activities designed to enhance both local and visitor attendance and enjoyment of the Wharf's many attributes.

A glance at the following brochure reveals the number and extent of managed program activities, many of which in conjunction with targeted Boardwalk promotions such as the "Haunted House" are serving to draw local residents again to the Beach area in large numbers.

Local support for Beach commercial activities is a crucial element in any successful implementation strategy and will be an important component in the recommended management approach to the Beach.

The Wharf is the longest drive on the West Coast and possesses both a retail and a maritime aspect. There are ten retail establishments on the Wharf which total approximately 13,628 square feet of retail use. In addition, there are eight restaurants which total approximately 35,390 square feet of restaurant use. There are five maritime related uses such as boat rentals, fishing excursions and the recently inaugurated water taxi services. There are also 429 parking spaces.

¹³ Callander Associates, *Beach Street Promenade Design Plan*, approved, Jan. 1991.



Wharf & Waterfront Events At-A-Glance

Sunday August 18	Art on the Wharf	Wharf Commons Area 429-3477
Sat & Sun August 24 & 25	Aloha Races & Polynesian Festival	Santa Cruz Wharf 429-3477
Saturday September 21	Shark Festival & Feeding Frenzy	Santa Cruz Wharf 429-3477
Sunday October 6	Fireworks Spectacular	Santa Cruz Wharf 429-3477
Thursday October 31	Halloween on the Wharf	Santa Cruz Wharf 429-3477
Friday November 29	Santa Sails-In	Santa Cruz Wharf 429-3477
Mon & Tues Dec 16 & 19	Caroling Under the Stars	Mon-Lighthouse Pt. Thurs-S.C. Wharf 429-3477

1997

Saturday February 22	15th Annual Clam Chowder Cook-Off	Beach Boardwalk 429-3477
Sunday February 23	Great Chowder Chase	Beach Boardwalk 429-3477
Sunday March 9	9th Annual Jazz on the Wharf	Santa Cruz Wharf 429-3477
Sunday May 4	3rd Annual Great Salsa Taste-Off	Santa Cruz Wharf 429-3477
Sunday June 15	Art on the Wharf	Wharf Commons Area 429-3477
Saturday June 21	3rd Annual Woodies on the Wharf	Santa Cruz Wharf 429-3477
Sunday July 20	Art on the Wharf	Wharf Commons Area 429-3477
Sunday July 27	Wharf-to-Wharf Race	Starts on Beach Street 475-2196
August TBA	Coervo Gold Volleyball Tourny	Main Beach 800-CUERVO-8
Saturday August 2	24th Annual Roughwater Swim	Main Beach 429-3477



Wharf Rents and Sales by Fiscal Year

Year	Rents	Sales
1991	\$775,295	\$14,588,520
1992	\$768,150	\$14,551,667
1993	\$710,877	\$13,953,329
1994	\$741,742	\$14,051,994
1995	\$712,754	\$13,246,700
1996	\$752,644	\$14,773,914

Source: Finance Department Quarterly and Annual Summaries



In spite of recent improvements in the economy and corresponding rise in collections of the Transient Occupancy Tax, and in spite of Wharf entry improvements and increased lease, parking and program management, Wharf rental income and sales have remained essentially flat during the past six years.¹⁴

Commercial & Retail Uses

The major recreational assets of the Beach, Boardwalk and Wharf operate as the engine which drives the economy of the Beach. The remaining Beach Commercial area consists of approximately 44 acres dedicated primarily to visitor serving commercial facilities which support these recreational activities. [See following map].

Hotel/Motel Land Uses

Within the confines of the Beach Commercial plan area there are ten (10) motels, plus one Bed and Breakfast providing 390 rooms, of which the Dream Inn's inventory of 163 rooms represents approximately 42% of the total. The remaining rooms are distributed in increments of thirty rooms or less among the other nine motels.

However, in the more general Beach area, there are a total of twenty-four (24) hotel/motels: nine (9) in the Beach Hill; three (3) in Beach Flats; and two (2) in the South of Laurel along Pacific Avenue.¹⁵

There are a number of significant issues in terms of how this land use is maintained and operated which directly impact both upon the commercial viability of the Beach area and upon the residential quality of life in the surrounding neighborhoods.

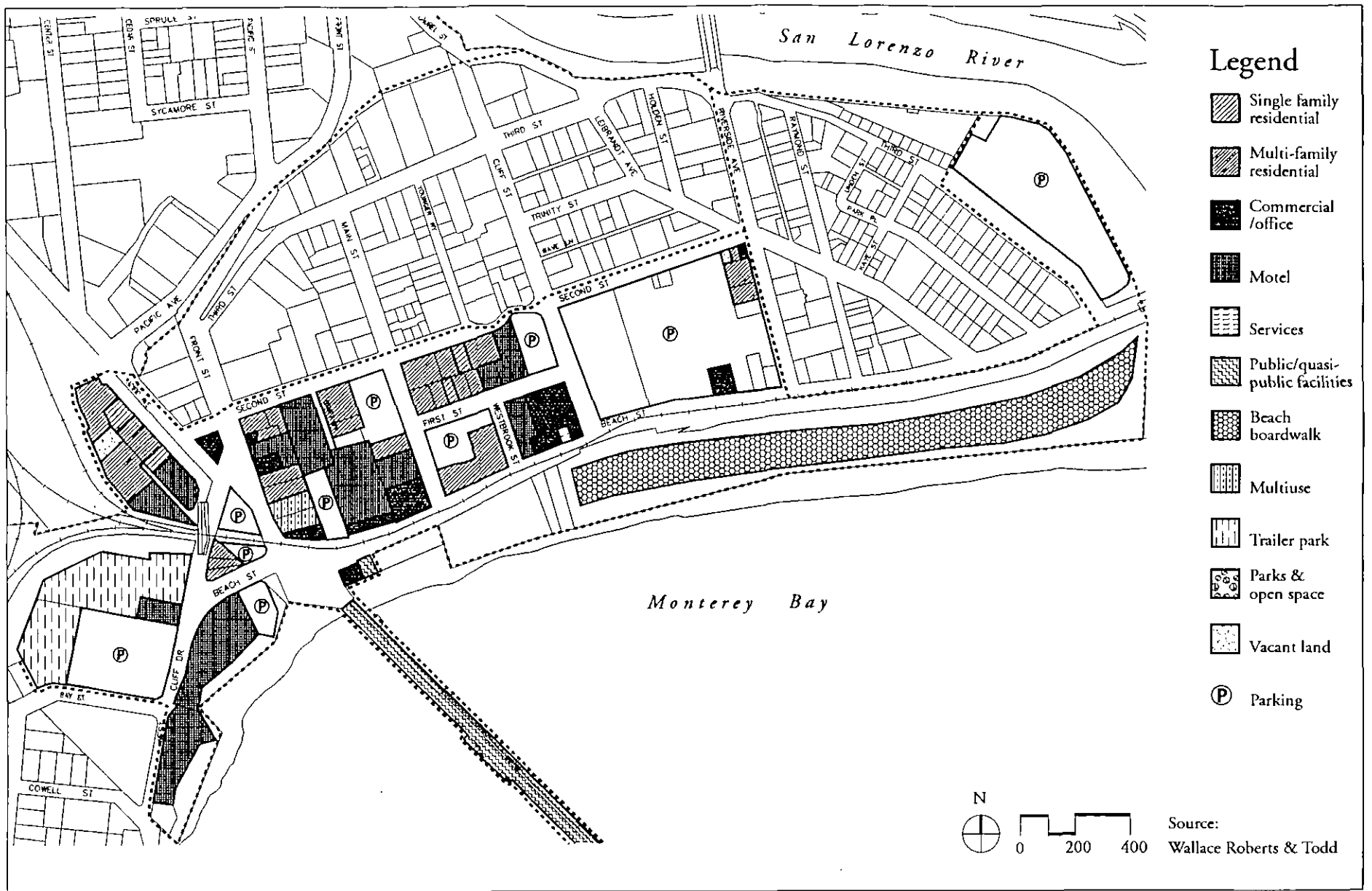
As early as 1980, the *Beach Area Plan* (p.63) cited the fact that many of these commercial structures in the Beach area are in relatively poor condition and "would benefit from thorough renovation." This current study supports that conclusion. Although during the past several years there have been a select number of facility upgrades in the Beach area less than 20% of the total inventory could be considered quality properties according to industry standards. Approximately 80% of the lodging facilities in the general Beach area are budget class or below, and the majority of these are non-brand lodging demonstrating only minimal investment.

In addition to issues of maintenance and management, there is also a two-tier system of functioning of motel properties in the Beach area. In general, the national brand motels and larger facilities function as true overnight lodgings with little extended stay activity. In many cases, however, the smaller 20 to 30 room motels, which are non-brand, individually owned facilities tend to convert to monthly rental facilities at the end of the summer season, accepting social services vouchers as payment, or providing fraternity and/or student lodging.

At issue with this second tier of function is the question of the evolution of transient overnight facilities into extended stay rental units which cannot meet minimum code standards for housing. Many cannot even meet the current requirement for SRO units in terms of

¹⁴ Marty Ackerman, Redevelopment Project Coordinator/Asset Manager compiled extensive background information on the Wharf. Danette Schoemaker, Recreation Superintendent of the Department of Parks and Recreation provided wide-ranging advice and information.

¹⁵ City-wide, there are 77 hotel/motels which support recreational uses in the Beach.



The Phipps Group

City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 32

Beach Commercial Land Use

“partial kitchens which must have at least two of the three appliances required for food preparation facilities.” [24.12.1022] This raises the questions of potential fire hazard, increased need for public services such as safety and trash collections, and lack of adequate parking.

An unintended consequence of this built-in market during the shoulder and off-season, is the lack of incentive to improve the competitive aspects of the property. Some of the smaller motel owners have indicated they would prefer not to accept winter tenants but do not know how to otherwise fill the vacancies. This emphasizes the importance of better management of tourism to benefit the City, its businesses and its residents. A carefully managed extension of the season in the Beach would begin to attract extended stay patrons, limiting the impact of the automobile and supporting year around retail in the area.

The cumulative effect of these differences is that a select number of properties in the Beach:

- are operating outside of what is considered to be normal industry standards,
- have an adverse impact on adjacent properties because of their uses and lack of maintenance,
- tend to be non-responsive to the competitive demands of the market, and
- may function primarily on a cash basis.

Additionally, these properties *do not meet* established City criteria for regulation either as transient lodging facilities or as rental units. Other issues relating to the lodging industry in the Beach area will be discussed in the chapter on economic development.

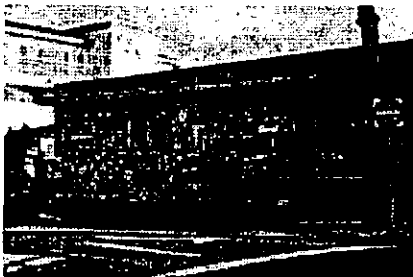
Retail Uses

Many of the facilities and small shops which line lower Pacific and the main oceanside boulevard of Beach Street reflect the long low profile of a motel style developed during the 1940s and 50s to serve a newly mobile automotive society.

The retail uses in these facilities tend to be both seasonal and small scale. Those fronting on Beach Street illustrate the seasonal nature of commerce in the area. They range from roller skate rental shops, to T-shirt, bathing suit and souvenir shops. In general, they tend to close with the end of the season.

Also along Beach Street between Front and Main Streets, which in real estate terms should represent prime commercial frontage, are individual motel garages, perhaps the least productive use of this prime location.

In total, the thirteen (13) retail shops, ten (10) restaurants and 1 bowling alley represent 55,000 square feet of commercial usage in the area. One of the central recommendations of this study will be to encourage the expansion of compatible, year-around retail as a component of an extended season.



Surface Parking Land Use

Over one-half of the land area in the Beach commercial district is surface parking. The two largest sources of public parking supply are in the private lots owned by the Seaside Company, known as the Main Beach lot and the River lot which provide approximately 2,038 paid parking spaces available for public use.¹⁶ The other significant aggregation of public parking is on the Wharf where 430 spaces are available.

Because this land use consumes so much of the Beach area, the recommendations in the transportation management section will deal directly with the necessity of placing appropriate emphasis on alternative modes of transportation, such as shuttle service, the potential for increased rail access, and intercept lots.

This study recognizes the important role which easily accessible parking plays in the Beach economy as well as in meeting Local Coastal goals for shoreline access. However, it also acknowledges that, in the future as the area redevelops, additional land uses should be incorporated into these areas which today serve only as parking sites for cars.

Residential Land Use

The Beach Commercial area contains a mix of residential housing types from seasonal apartment units in the La Bahia on Beach Street, to rooming houses and apartments along Front Street and along Second, to mobile homes in the mobile home park on Bay and West Cliff Drive. In general, the majority of the units are in good condition.

There are approximately 186 permanent residential units and 79 mobile homes that are occupied by approximately 568 residents, with an average household size of 2.2 residents per dwelling. The La Bahia has approximately 45 units which are alternatively rented to seasonal amusement park workers and university students.

In contrast to the Beach Flats, household size in the Beach Commercial area is considerably smaller and average household income is considerably higher. Residential units are primarily located off of Second Street. The units in the area tend to be small, with 80% having only 1 bedroom.

C. ZONING

There are four zoning categories in the Beach Commercial area. They are: CB, Beach Commercial; OFR, Ocean Front Recreational; RTB, Motel-Residential; and RTC, Beach Commercial. Zoning in this area was revised in 1975 in order to improve land uses and design characteristics.

CB: Beach Commercial

The purpose of the CB zone is provide for "commercial uses which are primarily coastal-dependent in nature and which serve tourists and visitors to the Santa Cruz coastal recreational areas." [24.10.1100]



¹⁶ For a fuller discussion of parking supply and demand see, Fehr & Peers Associates, *Beach Area/ South of Laurel Master Plan*, April 15, 1997.

As illustrated by the following map, the CB zone is applied primarily to the regional recreational draws of the Wharf and the Boardwalk. However, it is also applied on the lower east side of Riverside Avenue, and the northern side of Beach Street between Riverside and Leibbrandt. It includes a segment of the Beach Flats and the River parking lot as well

There are a wide variety of **permitted uses** allowed in this zone, many of which do not support the principal purpose of coastal-dependent activities. Among the permitted uses which are not consistent are: financial, insurance, real estate office; general merchandise (drug and department stores); and personal/professional services (except contractors yards and mortuaries). This study recommends that the language of this zone be reviewed and revised for appropriateness.

The major permitted uses are eating and drinking establishments, amusement park uses, museums and galleries and parking.

There are **two issues** with respect to the CB zone. The boundaries of the CB zone should more accurately reflect land use and the permitted uses should more accurately reflect the purpose. For that reason, *slight boundary and language modifications will be proposed.*

OFR: Ocean Front Recreational

The **purpose** of the OFR zone is "to ensure the protection of coastal resources and views; to provide public access and maintenance of public use; to assure that coastal development is consistent with the Coastal Land use Plan and General Plan; and to promote the safe occupancy and the reasonable use of lands subject to continuous erosion, such as coastal cliffs and beaches." [24.10.1900] This section of the Zoning Ordinance is also part of the Local Coastal Implementation Plan. OFR is the zoning designation applied to the actual beach area.

The principal permitted uses are outdoor recreational activities and parking. No buildings are permitted by right. Signs, fish markets, navigational aids and rest room facilities are subject to an administrative use permit and a design permit.

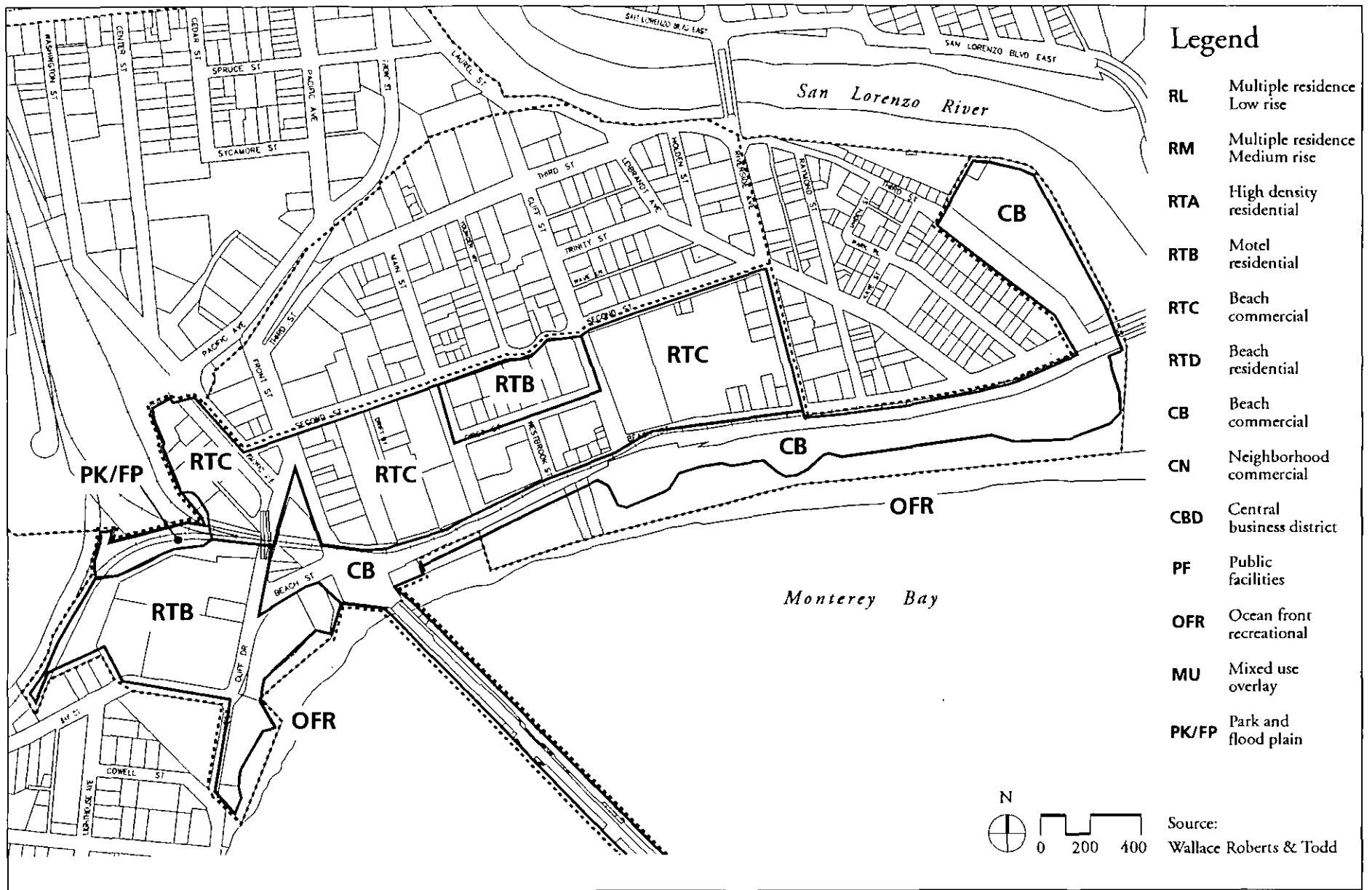
RTB: Motel-Residential¹⁷

There is a small section of the Beach Commercial area which has an RTB zoning designation. This enclave is bounded by Second, Main, First and Cliff Streets, where the majority of rooming houses and multiple dwellings are located. The **purpose** of this designation is to encourage a compatible mixture of permanent and visitor oriented uses.

Issues of maintenance and code compliance with regard to hotel/motel usage in this area should be addressed within the zoning code. A recommendation will be made to strengthen requirements under this zoning category.

There is a second area, which incorporates the West Coast Santa Cruz Hotel (former Dream Inn) and its parking lot, the Sea & Sand, and the mobile home park located at the western edge of the Beach Commercial area.

¹⁷ A full explanation of this zone is provided in the discussion on Beach Hill zoning.



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City of Santa Cruz - Beach / South of Laurel Area Plan

Figure 33

Existing Zoning, Beach Commercial



One option for possible development: La Bahia Conference Hotel

RTC: Beach Commercial:

The principal zoning category in the Beach Commercial area is the RTC zone. The purpose of this zone is “to establish standard for development of residential uses mixed with neighborhood commercial, motel, and regional tourist commercial use.” Additional goals are “to improve existing uses and encourage new developments in a manner that maintains a harmonious balance between residential and regional commercial uses.” [24.10.618]

This zone covers the principal commercial, retail frontage of Beach Street and includes the overlook area where the Ramada Limited is located.

The principal permitted uses include all types of lodging facilities, food and beverage stores and smaller multiple-family units. Restaurants, offices, convenience and department stores, larger multi-family residential uses are subject to an administrative use permit. A special use permit is required for bars and taverns, nightclubs, fast food, group quarters and marine facilities. Maximum allowable height for 3 units or more is 35 feet.

The principal zoning issue related to the RTC is the inability to economically redevelop small lots and meet all current zoning requirements. The height ceiling of 35 feet, which is 20 feet lower than the surrounding zones of RTA and RTB, coupled with the requirement to provide parking on side and meet setback requirements, reflect the current rectangular, bulky low motel type construction with extensive visible parking lots adjacent to the street which characterizes the Beach today.

This neither meets the adopted goal of providing “a harmonious balance between residential and regional commercial uses,” nor the proposed goals of recapturing Santa Cruz’s historic ocean resort style which requires quality design, a breaking up of building and roof volumes, an integration between building and street, and the provision of parking either off-site or within/behind the building. For these reasons, changes will be proposed in the recommendation section. In addition, a slight boundary modification will be proposed.



VIII. BEACH COMMERCIAL: RECOMMENDATIONS

VIII. RECOMMENDATIONS: LAND USE & ZONING BEACH COMMERCIAL

A. OVERVIEW & PURPOSE

A revitalized Beach Commercial Area provides the City of Santa Cruz its greatest opportunity for expanding its economy. With the rebuilding of the Downtown almost complete, the City is able to turn its attention to actively encouraging investments in both buildings and businesses in the Beach area, providing for the long-term economic health of the City.

The goal of the following recommendations is to structure a balanced and bold investment strategy which will stimulate appropriate economic development resulting in improving the quality of life in the Beach; managing and expanding the operational season and providing employment opportunities; and developing linkages with the Downtown.

The objectives of this strategy are to recapture Santa Cruz's unique historic Ocean Resort style by stimulating significant upgrading and redevelopment of the older lodging facilities; attracting private development of a quality conference hotel; analyzing the retail/maritime potential of the historic Wharf; expanding the educational opportunities of the Monterey Bay National Marine Sanctuary; developing a comprehensive marketing approach which incorporates an heritage tourism component; providing a program of stimulus and constraints; and creating jobs.

These objectives are to be accomplished by providing significant opportunities for redevelopment of underutilized land which will provide attractive retail, entertainment, lodging and support uses that will appropriately extend the operational activities of the Beach. Projects will be designed to enhance street life and reflect unique design themes of the area. The area will be attractive to locals and tourists and will draw people to the area for a variety of essential retail services and provide unique activities for twelve months of the year. The atmosphere and compact pattern of development will encourage people to park their cars and walk or take unique forms of transportation that link the area with other attractive sites downtown.

B. PLANNING POLICY & GOALS

There is a clear need to change the investment climate in the Beach area. The City has recognized this need, and through an extensive series of studies and reports¹ has identified increasing areas of agreement on issues of concern to the Beach and South of Laurel communities.

The basic policy direction for the Beach area is contained in the *City of Santa Cruz General Plan and Local Coastal Program: 1990-2005*, Vol. I and Vol. II, p.3-21. The *General Plan*

¹ Among them are: *The Beach Area Plan*, (1980); "Beach Area Outlook Conference"; "Beach Area/South of Laurel Process and Opportunities"; "Beach Area Chautauqua Questionnaire"; *The Beach Area Plan Strategy*, and *The South of Laurel Plan Strategy*.

land use designation for the Beach Commercial area is RVC, regional visitor commercial and CR, coastal recreation for sand beach coastline. [See following map] The regional visitor commercial designation primarily emphasizes the development of visitor serving uses such as hotels, motels, restaurants, amusements and also allows for the development of mixed-use and residential areas. Coastal recreation designates areas for such activities as swimming, boating, fishing, surfing, picnicking and parking.²

The Beach Area Plan Strategy, adopted in 1996, continued this established policy direction and synthesized the three major goals as:

- (1) improving the quality of life in the Beach,
- (2) expanding the operational season of the Beach, and
- (3) developing linkages with the Downtown.

The purpose of this planning process is to begin to translate these policy statements into specific recommendations and programs which —when adopted— the City of Santa Cruz can implement within a time certain.

1. Planning Approach & Assumption

The planning approach this study has adopted is one of explicitly acknowledging that the **health of the commercial area is directly linked to the health of the neighborhoods.** Sound investment — as opposed to speculation — cannot be attracted to a commercial area if quality investment is lacking in the neighborhoods.

Therefore a central premise of this approach is that a balanced investment strategy for the Beach area cannot be achieved unless and until there is a significant catalyst for positive change in the Beach Flats neighborhood.

2. Goal for the Beach Commercial Area

The goal of this planning approach in the Beach Commercial area is to **structure a balanced and bold investment and management strategy which revitalizes and protects neighborhood integrity while stimulating appropriate economic development,** through which neighborhoods may be stabilized through job expansion, improved infrastructure and community facilities.

C. RECOMMENDATIONS

1. Major Conference Facility

Background

The City of Santa Cruz has the opportunity to magnify and expand the economic vitality of the downtown by transforming Beach Street into a “signature street” which will complement and complete the revitalized Pacific Avenue shopping District. The concept of linkage between the two areas is a cornerstone of all planning efforts to date.

² Vol. I, p.138-9.

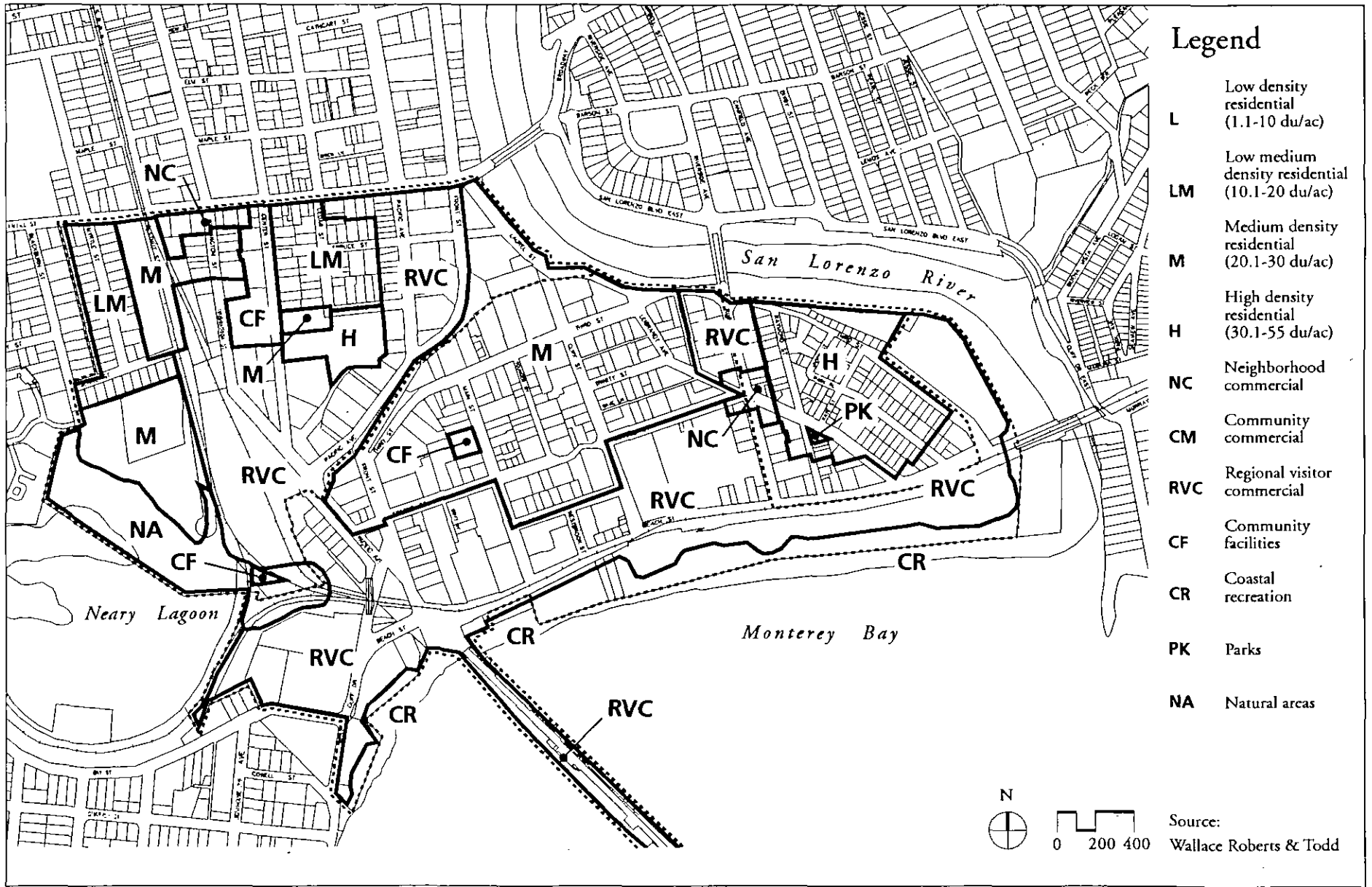


Figure 34

General Plan 2005 Land Use Designations

Since the early 1990s, the City in a series of planning outreach efforts, has responded to the business and residential communities' desire to encourage an intensification of tourist oriented development that promotes year round activities in the Beach area.³

The proposal for a major conference facility in the Beach area would act as such a stimulus, extending the operational season in the Beach, attracting quality investment, establishing Beach Street as a signature street, and providing additional employment and tax revenues.

Market Support for a Major Conference Facility

Since 1992, two separate market studies have indicated market support for a major conference facility located on the beach front in Santa Cruz.⁴ The most recent report, prepared by Scott Hospitality Consultants (1995), found there was strength in the Santa Cruz lodging market — a fact which was verified during the course of this planning effort.⁵

The results of the Scott's Hospitality Consultants' analysis recommended:

- a 275-325 room hotel with 15,000 square feet of meeting space,
- access to the 21,000+ square feet of space in the Cocoanut Grove,
- oversized guest rooms oriented toward the ocean and coastline views,
- a full service restaurant and lounge,
- a business center,
- a fitness center, and
- an outdoor swimming pool with spa and deck area.

Parking should be provided either on-site or in a near by location.

La Bahia as Site for Major Conference Facility

In 1994-5, two sites were analyzed for suitability in meeting the criteria — the West Coast Santa Cruz Hotel (Dream Inn) parking lot site, and the La Bahia. *The Beach Area Plan Strategy* identified the La Bahia as having the best potential to “serve as the main catalyst for future beach improvements. Unparalleled views and location suit this site well for development of the premier conference hotel facility in the beach area” (p.19).

The Council adopted the *Plan Strategy* in June, 1996. Based on this action, two possible development scenarios on the La Bahia site were examined:

- Alternative #1 of approximately 300 rooms which would entail site consolidation including the abandonment of Westbrook Street and the purchase of the Seaside Lodge, (approximately 90,767 total sf), or
- Alternative #2 of approximately 120-200 rooms on the existing La Bahia site, (60,652 sf).

³ “Beach Area Outlook Conference”; *Beach Area Plan Strategy*.

⁴ Keyser Marston Associates, Inc. (1992); Scott Hospitality Consultants et al, *Market and Financial Feasibility Analysis for a Hotel/Conference Center at the Boardwalk*, (1995)

⁵ See discussion on lodging industry in the Chapter on Economic Development.



In January, 1997, the Council endorsed the concept of Alternative #1,⁶ and noted that any proposed conference facility needed to incorporate all the amenities necessary to be fully competitive within the region. Additionally, they endorsed the concept of linking public actions and public expenditures with the following clear and compelling public benefits:

- create full time jobs for local residents,
- provide year round support for existing businesses along Beach Street and the Wharf,
- preserve the historic Cocoanut Grove by integrating the operation and scheduling of meetings and dining into the existing vacant space,
- add economic life to the historic structures of the Boardwalk,
- attract additional quality investment to the area in both the *commercial* and residential communities,
- act as a major catalyst for future beach improvements,
- provide major public space both inside/outside the facility,
- provide public meeting space for such functions as proms, dinners and community meetings,
- expand the operational season of the Beach.

⁶ The Phipps Group, "A Decision Memo", (Jan.31, 1997), p.51-55.

The Council further directed that an historic preservation firm should be retained to identify the La Bahia's primary architectural elements which would need to be incorporated into a major conference facility on the site.

Architectural and Development Analysis of La Bahia⁷

Architectural Analysis

In September, 1997, findings of the architectural and development analysis were presented. The report found that:

“The major contributing elements include the buildings on the south Beach Street elevation (Block Numbers 1,2,& 3), Courtyard Number #1 & 2, the building elevations encompassing Courtyards Number 1 & 2, the passages into the courtyards, as well as the scale, massing, character and detail of all the buildings.”

Courtyard # 1 was found to be a major contributing element to the character and significance of the complex, and should be maintained. Courtyard #2 is nearly as significant as Courtyard #1, but could possibly be modified or replicated without destroying the character of the entire complex.

The report concluded: “In summary, the buildings along the south elevation, the courtyards, the building elevations surrounding the courtyards, the passages into the courts, as well as the scale, massing and buildings' details are all character-defining elements that contribute to the significance of the La Bahia complex.” (p.5-6).

Development Analysis

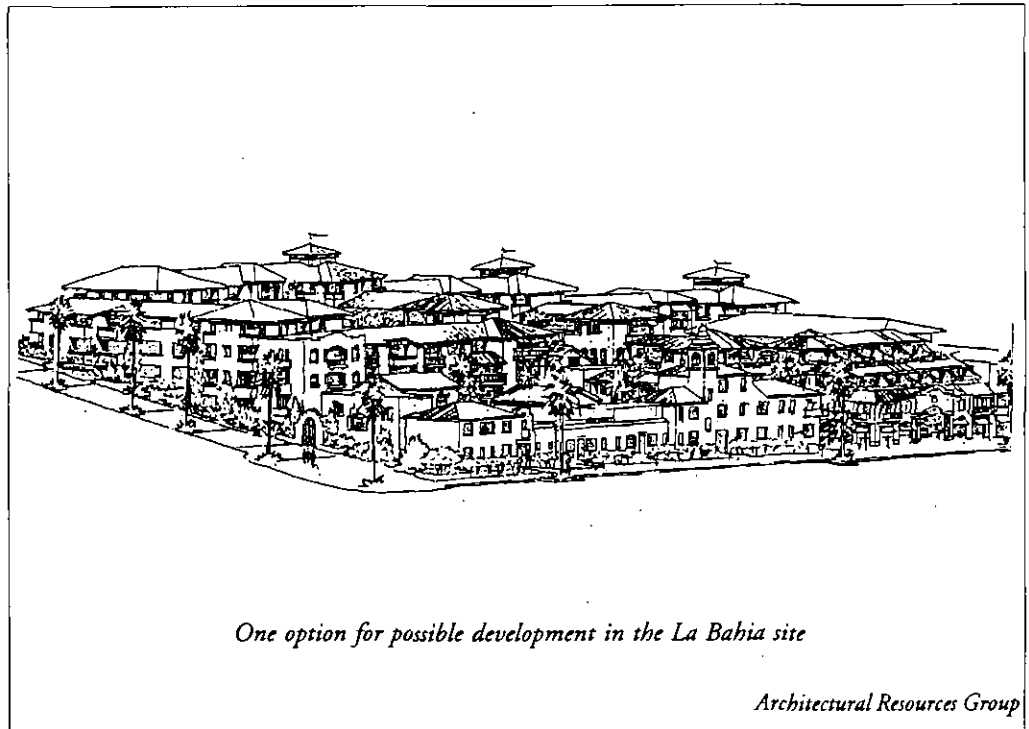
The development analysis found that it was possible to develop a 300 room hotel on the expanded La Bahia site — that is consolidating Westbrook and the Seaside Lodge into the parcel. It also found that due to the current height limitation of 35 feet, that such a development under existing requirements might prove to be bulky and unattractive.

For new development to be compatible with the existing features of La Bahia, there was a need to break up the building mass, add recesses and projections, create new courtyards, keep the appearance of similar window forms, and provide a variety of roof articulations. To accomplish these architectural requirements, either the number of rooms would have to be reduced or flexibility in height would need to be permitted.

With an additional floor, and architectural elements such as turrets, towers, etc. allowed to extend above the floor to break up the mass, a possible development could look like the following illustration.

For purposes of architectural analysis, it was assumed that the majority of the parking will be accommodated off-site and that a valet parking program will be developed to serve the hotel. This could change according to final design. Possible locations for parking include the Main Beach lot, the Surf Bowl site, and possibly the Depot site.

⁷ *La Bahia Apartments, Santa Cruz, California*, “Architectural and Developmental Analysis,” (Sept., 1997), Architectural Resources Group. This study was part of a larger report, “City of Santa Cruz Design Analysis”. (Sept, 1997).



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Figure 35

Recommendation: Develop La Bahia as Hotel Conference Facility

This study recommends development of the La Bahia as a quality 250-275 room hotel conference facility, retaining the architectural “character defining elements” identified in the Architectural Resources Group study and incorporating the amenities necessary to be competitive regionally. The City should negotiate a development agreement which provides for specific public benefits outlined above. In addition, this agreement should detail any on-site parking provisions and incorporate lease or purchase arrangements for any off-site parking.

In adopting this plan, the City Council stipulated that the developer should be required to work with a historic preservationist retained by the City in meeting the proposed Design Guidelines to ensure compatibility of scale and architectural style and be required to conform to the City’s design review process.

2. Entertainment/Amusement Park Upgrade

The Santa Cruz Boardwalk is the oldest surviving Pacific Coast Amusement Park in America. Central to Santa Cruz’s past, it is a key component to the future of this area. It acts as the economic engine which drives the Beach economy and is central to the health and vitality of the City’s visitor serving industry. It provides part-time and full-time employment — frequently providing the youth of Santa Cruz their first job experience.

A report on Pacific Ocean Parks⁸ concluded that the inability to meet changing market demands was instrumental in the failure of the other Pacific Ocean Parks. With regard to the Santa Cruz Boardwalk, it stated:

“It’s my solid opinion that the future of the Santa Cruz Beach Boardwalk depends upon incremental and appropriate growth in relation to its industry. No amusement park, however charming, can sit inside a glass bottle as a glorious tribute to the past.” (p.28)

An earlier planning effort, the Beach Area Outlook Conference (1994), recognized a need for potential expansion of the Boardwalk and indicated that improvements should focus on family entertainment and education with emphasis on Marine Sanctuary themes.

The City Council has determined that expansion of the amusement park should be eliminated from this Plan and that consideration of any such expansion in the future would involve a community-based planning process with its own initial studies or similar environmental documents to determine whether the certified final Environmental Impact Report (EIR) remains legally adequate for purposes of action on such a project. An amendment to the *Beach and South of Laurel Comprehensive Area Plan* will be required to consider any future action of this nature.

3. City Of Santa Cruz Historic Wharf

The historic Santa Cruz Wharf is among the key assets the City owns. It is of central importance to the Beach area, to the City, and to the Monterey Bay National Marine Sanctuary. As the earlier discussion in the existing conditions report documented, in spite of recent improvement in the economy and in Wharf management, rental income and sales have remained essentially flat during the past six years.

Recommendation: Comprehensive Analysis of the Wharf

This study recommends that the City carry out a comprehensive analysis of the Wharf which would include study of its two fundamental and interrelated aspects: its maritime aspect and its retail aspect. Elements of this study should include, but not be limited to:

- assessment of the physical inventory,
- assessment of access, circulation and parking,
- assessment of additional maritime potential,
- assessment of marine sanctuary potential,
- assessment of design and architectural character,
- assessment of signature physical features or programs,
- assessment of retail mix and performance,
- assessment of market niche, and a cost/benefit analysis of recommendations stemming from analysis.

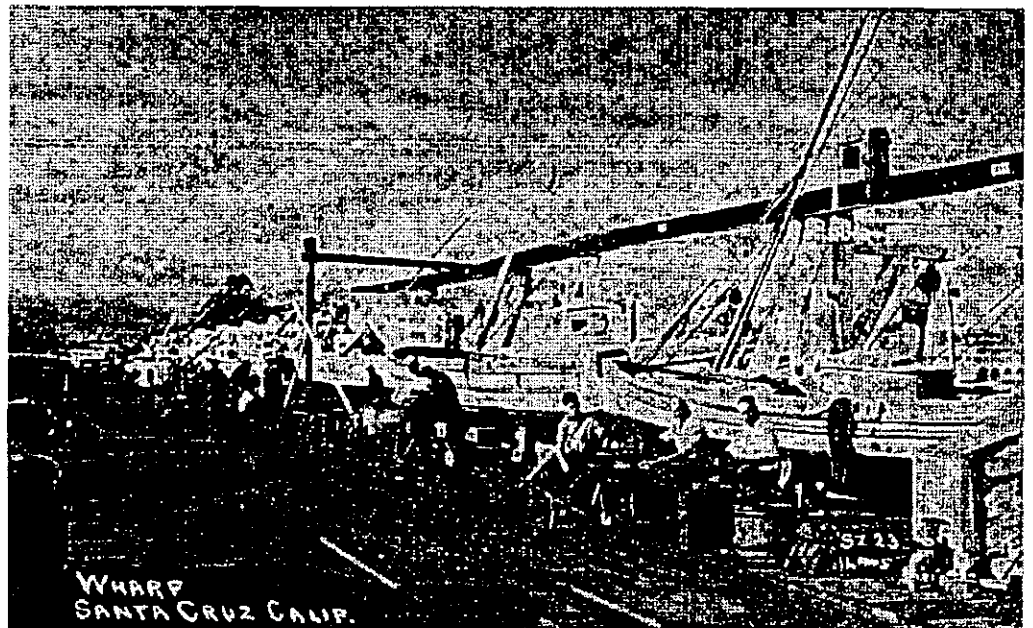
⁸ G. Kyriazi, *The Pacific Coast Amusement Parks: A study of Their Past, Present, and Future*,(undated).

In addition, the study should examine the feasibility of:

- Expanding Maritime Activity
 - encourage arrival by boat - expanded lower dock
 - pursue mooring program
 - encourage water taxi and look for tie-ins
 - examine feasibility of seal viewing programs
 - examine potential for companion marine discovery center
- Expanding Visitor Amenities
 - signage program on wharf and at entry
 - encourage pedicab connection
 - additional interim design improvements [problem w/birds]
 - add street activity - street performers or more “working waterfront aspects”
- Expanding Local Resident Marketing
 - by tying into existing events such as Wednesday evening sail boat races, expanding outdoor music programs, and Boardwalk discounts.
 - Expansion of programming by Parks and Recreation and examine feasibility of additional naturalist/interpretive opportunities.

The General Plan, II, ASP-6 “Wharf Design Criteria” will remain in force until the results of the proposed study are approved.

In keeping with its unique and historic role in the evolution of this area, this study also recommends that consideration be given to modifying the name of the Wharf from Municipal Wharf — which could be anywhere — to the Santa Cruz Wharf.

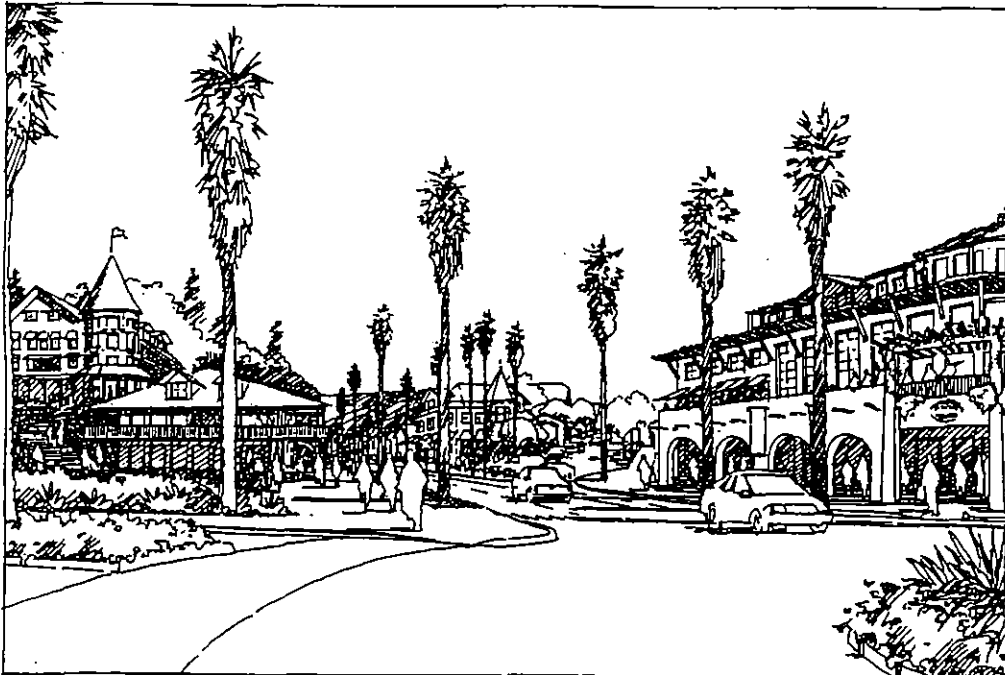


4. Commercial Redevelopment: Beach Gateway

The intersection of Pacific at Beach Street represents in commercial real estate terms the 100%, or the most valuable corner of the Beach area. It is currently an unattractive and confusing intersection,⁹ characterized by cars and concrete. It lacks distinction as a gateway, and the majority of land uses are parking lots, and small scale, seasonal retail/motel uses.

This intersection should function as a key gateway for defining the visitors' entrance to the Beach area. It has the potential to redevelop as an expanded and elegant hotel and restaurant district, forming a crucial link between the Beach, the Wharf and the Downtown. Encouraging the development of new facilities in this area will create a premier gateway to the Monterey Bay.

Such a redevelopment could produce an inviting and attractive gateway such as is illustrated below.



Development of vacant and underutilized sites gives strong definition to the Beach Gateway.

The chapter on urban design will discuss the architectural and design elements of this proposal in detail. It is only necessary to mention here that gateway development such as this might entail redevelopment of the Ramada Inn site as either a quality mixed use development which could incorporate both extended stay lodging facilities and residential units, or as an alternative site for a conference hotel facility. Its location on this high overlook provides views both toward the Ocean and the mountains, and the proposed future development of public parking and transit on the adjacent Depot site adds to its development potential. There are currently nine residential units adjacent to the Ramada Inn.

The potential redevelopment of the corner of Beach and Front Streets with an attractive multi-story commercial building would anchor the gateway and could provide restaurant



Existing view of Beach Gateway looking toward Downtown.



⁹ The circulation aspects of this intersection are dealt with in the transportation discussion.

and entertainment facilities, offices or residential units. Located at the heart of the Beach Commercial district, this prominent site can provide unparalleled views of the Bay. Redevelopment would remove seventeen existing residential units.

Recommendation: Encourage Redevelopment of Beach Gateway

Because of the critical visual, economic and transportation importance of this intersection, this study recommends that the City actively encourage the redevelopment of this area by:

- implementing the proposed transportation recommendations regarding circulation improvements and traffic circles,
- adopting Beach Commercial District Overlay zone which affords flexibility in site development,
- establishing an active partnership with property owners, informing them of proposed changes and how they can benefit from them,
- working with the lending community to direct lending commitments to the Beach Commercial Area and the Beach Flats by formally designating area a "Revitalization District" which requires Community Reinvestment Act lending participation by local banks, and establish loan pool for commercial and residential projects,
- identifying appropriate funding mechanisms such as Business Improvement Districts, Parking Assessment Districts, or other funding approaches to facilitate implementation, and
- acquiring Depot site as component of comprehensive parking strategy.

5. Potential Development: Main Beach Parking Lot

The Main Beach Parking lot, once the site of the colorful "tent city" and later the grand Spanish Revival style Casa del Rey resort hotel and gardens, now serves as the primary parking resource for the Beach area, providing almost 1,000 spaces.¹⁰ There are still remnants of earlier residential use on the site in the small units located on Riverside. There are a total of eighteen occupied units, ten of which are listed on the historic survey.

With the revitalization of the Beach area, implementation of the neighborhood conservation measures in the Beach Flats, and the development of a quality conference hotel facility at the La Bahia, there is an opportunity to consider development of a retail/entertainment/parking facility on the Main Lot. This planning effort examined the potential for a maximum of 125,000 square feet of specialty retail, and entertainment/ performing arts in conjunction with a 942 space parking garage on the site.

Such a facility could serve as both an important link as well as a buffer between commercial and residential uses. In addition to providing well located speciality boutique retail space and cultural opportunities, this facility could provide organized and invisible parking, recreating an important street frontage and maximizing the economic value of the land.

¹⁰ There are 980 spaces.

The timing of major investments is often a key to their success. With regard to construction of a structured parking facility, as the discussion on transportation will amply demonstrate, there is currently pent-up demand for paid, close-in and convenient parking during the season. Thus, in terms of financing such a facility, the question will not be one of demand but rather if income earned during the season can finance annual costs, and secondly, how to replace lost parking spaces and lost income during construction.

The second issue regarding the viability of retail is tied to timing. Assuming the successful development of a quality conference hotel facility on the La Bahia site, and assuming the successful implementation of neighborhood conservation strategies and the development of new housing in the Beach Flats, then market response to an attractive retail facility on this site can be anticipated to be strong. This also assumes a strong marketing program designed to attract increasing local patronage of the Beach area both during and off season. Incorporation of performing arts space can assist in attracting strong local patronage, if such a facility is economically viable.

Any development on this site shall include a public process that incorporates substantial input before it proceeds. The City Council has recommended that a community-based planning process should determine the ultimate development parameters for this site. The Council further directed that a specific overlay zone be created for the Main Beach Lot which will provide performance criteria and standards to govern development on this site in a manner that is less intensive than 125,000 square feet of commercial space. Any proposal for development of the site will require preparation of initial studies or similar environmental documents to determine whether the certified Final EIR remains legally adequate for purposes of action on the proposal or if a new EIR is required.

6. General Recommendations: Beach Commercial Development

Design Guidelines and Development Agreements should be required of all commercial development in the Beach Area.

Require Design Guidelines for Development

This study recommends that the City adopt the proposed Design Guidelines for Beach Commercial which require both provision for retail frontage and landscaping be incorporated within any parking structure.

Require Development Agreements to Ensure Public Benefits

This study recommends that development agreements be negotiated which link private and public infrastructure improvements, phasing, design standards, mix of uses and time frames. These agreements should also address alternative transportation modes, circulation and parking impacts in a manner which mitigates peak period impacts. This recommendation applies equally to all future large Beach Area projects which entail public funding or support.

The City Council has directed that, prior to undertaking any major commercial project, the City proceed with an appropriate benefit assessment/evaluation and negotiate a development agreement with owners/developers which clearly identifies participation and public benefits from among the following:

- participation in the development of affordable housing,
- contribution and/or cost-sharing for shuttle and/or parking on the Depot site,
- levee beautification and planting,
- landscaping of all entertainment park facilities consistent with Design Guidelines,
- Landscaping along the Third Street corridor,
- provisions for a two-way bike path connection on park property from Trestle Bridge to Riverside Avenue to tie in with the proposed dedicated bikeways on Beach Street and the San Lorenzo Trestle Bridge.
- allow for potential permanent public rail stop within the entertainment park area,
- permission to use the triangular lot adjacent to the river near Riverside Avenue as an active use recreation area in the off-season,
- well landscaped parking lots that are well maintained in accordance with Design Guidelines, and
- with reference to the conference hotel on the La Bahia site, public benefits are to include, at a minimum, union/prevailing wage jobs and local Beach Flats area hiring.

7. West Coast Santa Cruz Hotel (Dream Inn) Parking Lot

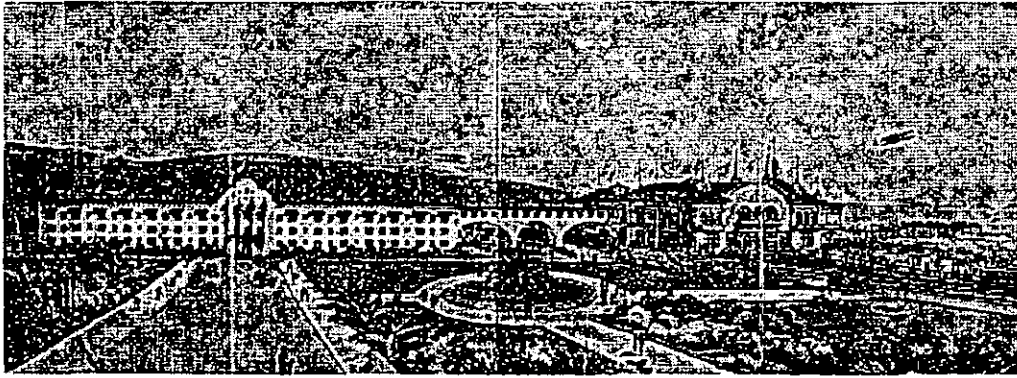
The two acre West Coast Santa Cruz Hotel parking lot, located at the southwestern boundary of the study area, is at the intersection of Bay Street and West Cliff Drive. It currently serves overflow parking for the hotel and provides seasonal shuttle service for employees of the Wharf.

This site holds the opportunity for potential future residential development. The City Council recommended that an overlay zone be established on the West Coast Santa Cruz Hotel parking lot site where the RTB zone will be modified to preclude future hotel or motel development.

A summary of the development potential in the Beach Commercial Area is listed in Appendix A.

8. Beach Commercial Design Guidelines

Historically, the Beach Commercial area was marked by buildings of grandeur and scale. The Sea Beach Hotel and the magnificent Casa del Rey Resort Hotel were two outstanding examples. The construction of the Boardwalk also dates from that era. Remnants of the past seaside resort grandeur are still evident in the core of the area, between Second Street and the amusement park, where historic Spanish Colonial Revival style buildings closely mingle with simple block style commercial buildings and motels. Other examples of this past grandeur are the large scale Victorian style seaside residences still evident in surrounding Beach Hill and West Cliff.



Recommendation: Adopt Beach Commercial Design Guidelines

This study recommends that future development in the Beach Commercial Area be subject to stringent design standards and design review as a prerequisite for a building permit, and that design guidelines be adopted which seek to recapture the historic Ocean Resort style characterized by:

- building articulation and breaking up of building mass into smaller units,
- Spanish Colonial Revival or Victorian styles,
- roof articulation consistent with architectural style,
- terracing to follow topography,
- encouragement of balconies, terraces, courtyards and plazas,
- pedestrian access from main streets,
- placement of parking, within, behind or off-site, and
- encouragement of architectural elements in buildings and roof design.

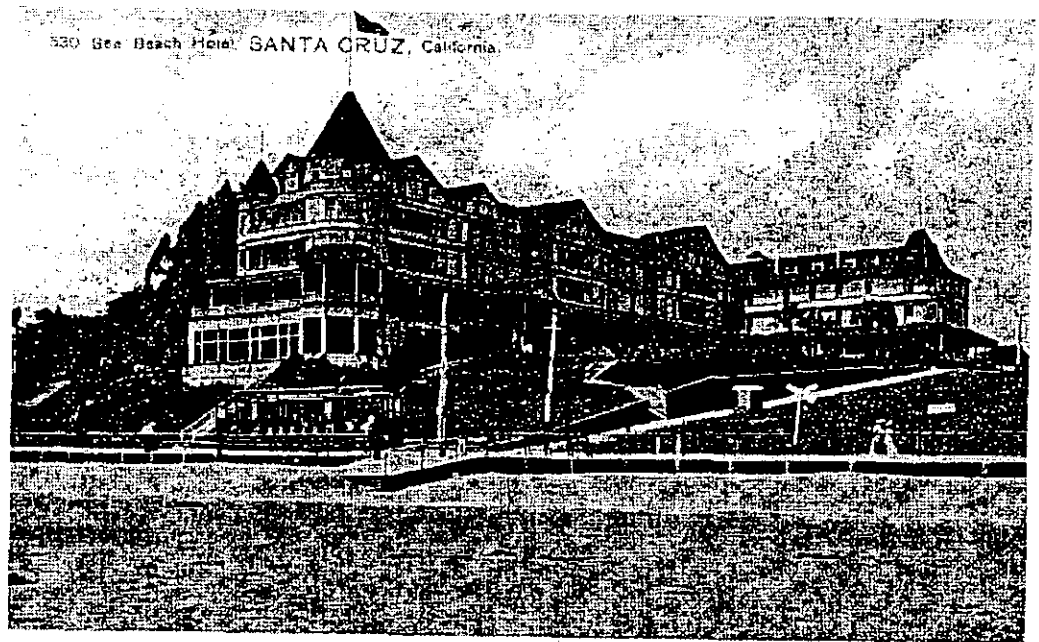
Due to the historic nature of the Boardwalk, which reflects an eclectic variety of styles from Moorish, Fantasy Victorian, Art Deco to Moderne, these more uniform guidelines should not apply to the existing facilities.

9. Beach Commercial District Overlay Zone

The principal core of the Beach Commercial District is zoned RTC, with a maximum allowable height of 35 feet. This height ceiling is 20 feet lower than the surrounding zones of RTA and RTC, and that fact coupled with the current requirement to provide parking on site and meet setback requirements result in the current rectangular, bulky, low motel type construction with extensive, visible parking lots adjacent to the street which characterizes the Beach today.

The principal issue related to RTC is the inability to economically redevelop small lots and meet all current zoning requirements. In order to begin to encourage quality architecture and development, flexibility is needed.

Currently, large lot development, that is those parcels of 20,000 sf or greater may apply for variation in zoning requirements through the Planned Development Permit



process[24.08.700], which allows for variations in height, building setbacks, lot coverage, parking space, etc.

At issue is the desire to stimulate the redevelopment of an attractive streetscape in the Beach area, providing building profiles which are in harmonious relationship to each other and to the street. Under current regulations, this is not possible because distinctly different site criteria are required of small as opposed to larger lots.

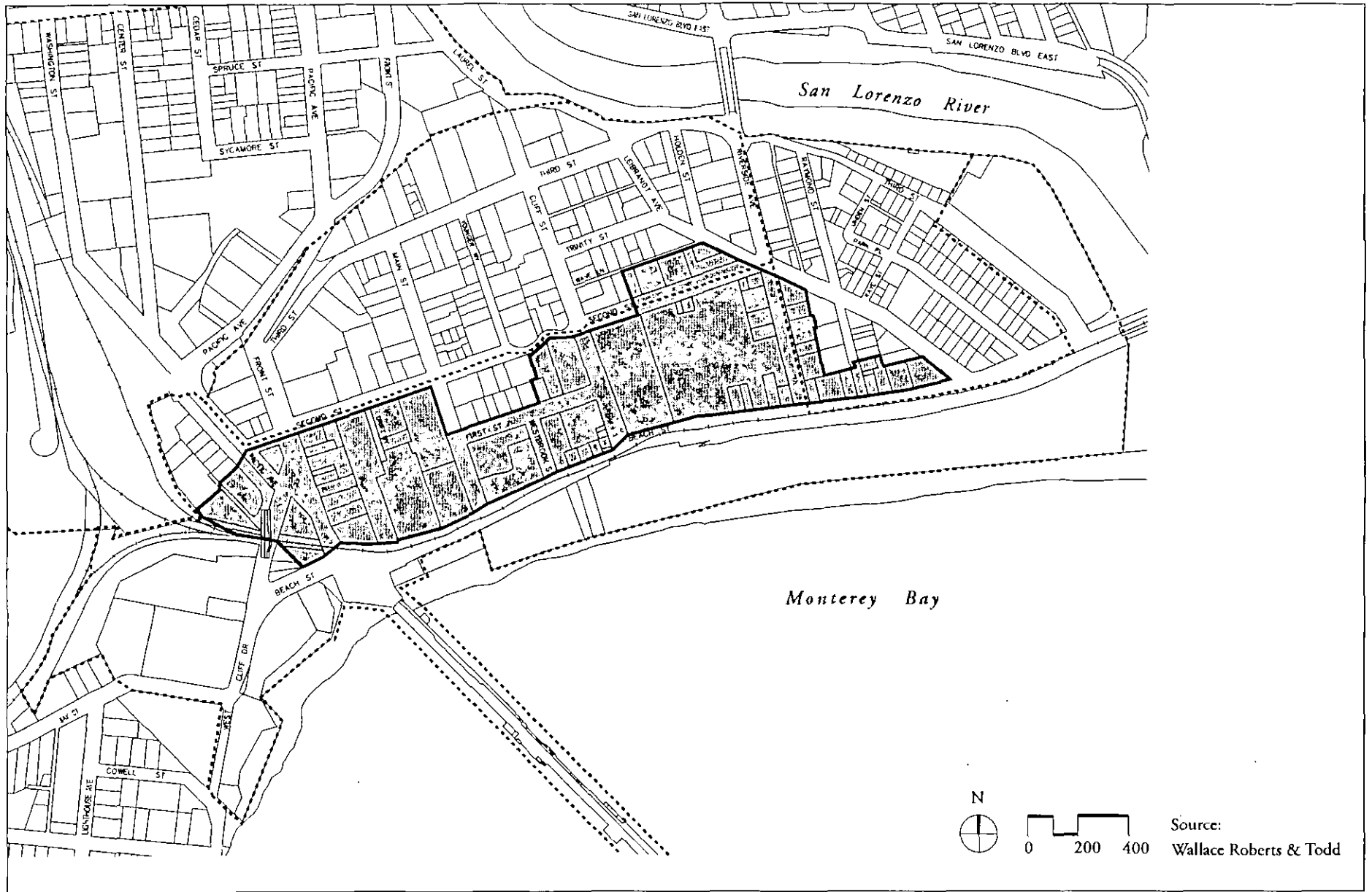
Recommendation: Adopt "Beach District Overlay Zone"

This study recommends the development and adoption of a "Beach District Overlay Zone" in order to accomplish the goals of stimulating economic development in a manner which enhances the Beach area.

Proposed elements of the zone include:

- all projects subject to Design Permit review,
- requirement to meet landscaping and design standards,
- requirement to meet primary Beach goals of promoting quality facilities,
- specialty shops and year around activities, creating jobs
- permit height flexibility for smaller lots [similar to existing Planned Development flexibility for larger lots] if proposed improvements meet primary Beach goals & design requirements. This change would allow smaller lots to also qualify for an additional floor [10'] over existing 35' height limitation - [for a total of 45'] - with an additional 3' allowance for mechanical structures which must be screened.
- in order to encourage quality architectural design, allow architectural elements such as bell towers, spires, turrets, to extend above height





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Figure 36

Proposed Beach District Overlay Zone

limitation. These architectural elements would be subject to Design Permit review.

- permit project to off-set on-site parking requirements through payment of annual deficiency fee and/ or through funding of shuttle service or other options¹¹ provided in the comprehensive transportation strategy. Proposed Design Guidelines and Standards require all on-site parking be located within or behind developments.

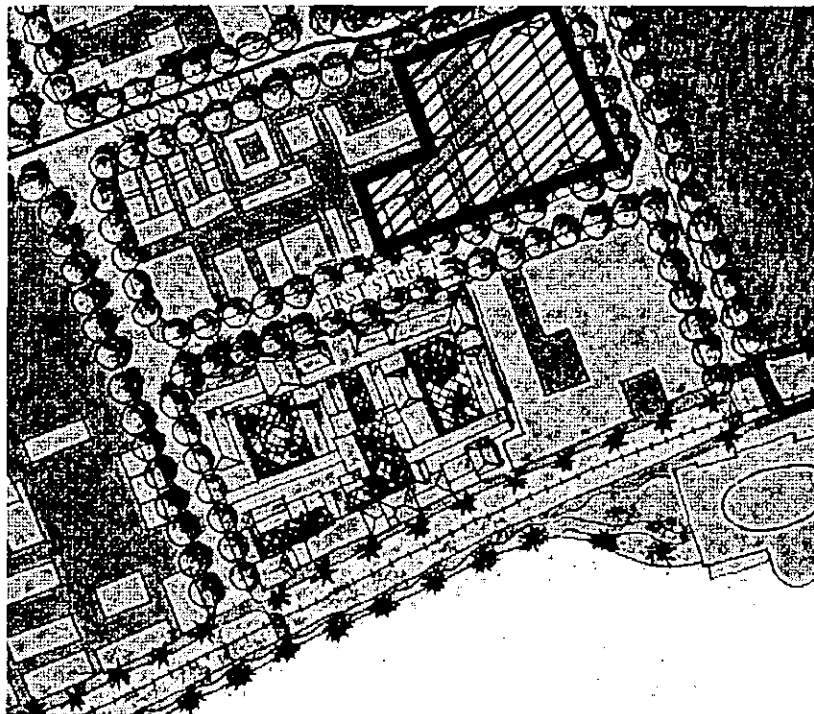
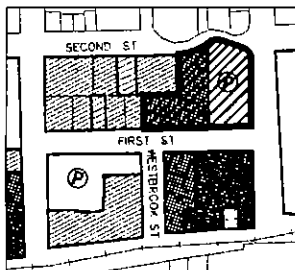
The requirement for Design Review applies to all expansions over 15%. A pre-application process will enable the City to work with the private sector in achieving design goals.

10. Rezone Lower First Street to RTC

The north side of lower First Street between Westbrook and Cliff is currently developed with a poorly maintained 34 room motel, a former motel with six multi-family units, one bed and breakfast, and 75 surface parking spaces of the Surf Bowl parking lot.

This planning effort offers the opportunity to significantly upgrade this area and integrate it more fully into the future activities of a revitalized Beach Commercial area.

The Surf Bowl parking lot along Cliff Street at the intersection of First has a variety of development options available. Final development decision may rest on how the hotel conference facility chooses to handle any off-site parking requirements. Because of its proximity to the proposed hotel development, the Surf Bowl site may be chosen for the construction of a possible 3 story, 175 space parking structure.



¹¹ This study agrees with the assessment of the staffs of Redevelopment Agency and the Department of Public Works that current conditions do not support the application of a parking district in the Beach area. However, as the area redevelops, this assessment should be revisited.

However, because of this site's potential to create an effective linkage between the pedestrian shopping activity proposed for the Main Beach lot and the hotel conference facility, it could also be developed as a mixed-use retail/restaurant/entertainment or residential facility.

Such a commercial development, appropriately designed, could help transform lower First Street between Westbrook and Cliff into a charming strolling environment, providing attractive pedestrian access to both the Main lot and the hotel.

Rezone from RTB to RTC

For that reason, this study recommends rezoning the four parcels between Westbrook and Cliff on the north side of First Street from RTB - Motel-Residential to RTC - Beach Commercial to provide the flexibility for responding to market opportunities for providing visitor support facilities.

A rezoning to RTC would provide an opportunity for this area to act as a crucial linkage between the two major development proposals of this plan, respond to market based investment decisions, and might encourage the upgrading of the existing low-end motel facilities. The *General Plan* would need to modify the current land use designation from medium density residential to visitor-serving. [See following map]

Place within Beach District Overlay Zone

In order to ensure that any development which occurs on these parcels contributes to the overall architectural quality and economic vitality of the Beach Area, and acts as a compatible boundary to Beach Hill which it would anchor, this study recommends that the rezoned parcels also be placed within the proposed Beach District Overlay Zone.

This action would require that all projects be subject to design review, meet landscaping and development standards, and incorporate uses which help achieve the primary Beach goals.

11. Zoning In The Beach Commercial Area

There are four zoning categories in the Beach Commercial Area. They are: OFR, Ocean Front Commercial; CB, Beach Commercial (Ocean Dependent); RTB, Motel-Residential; and RTC, Beach Commercial.

This study recommends no change in either the text or the existing boundaries of the OFR zone. It does, however, make the following recommendations regarding the other three zones.

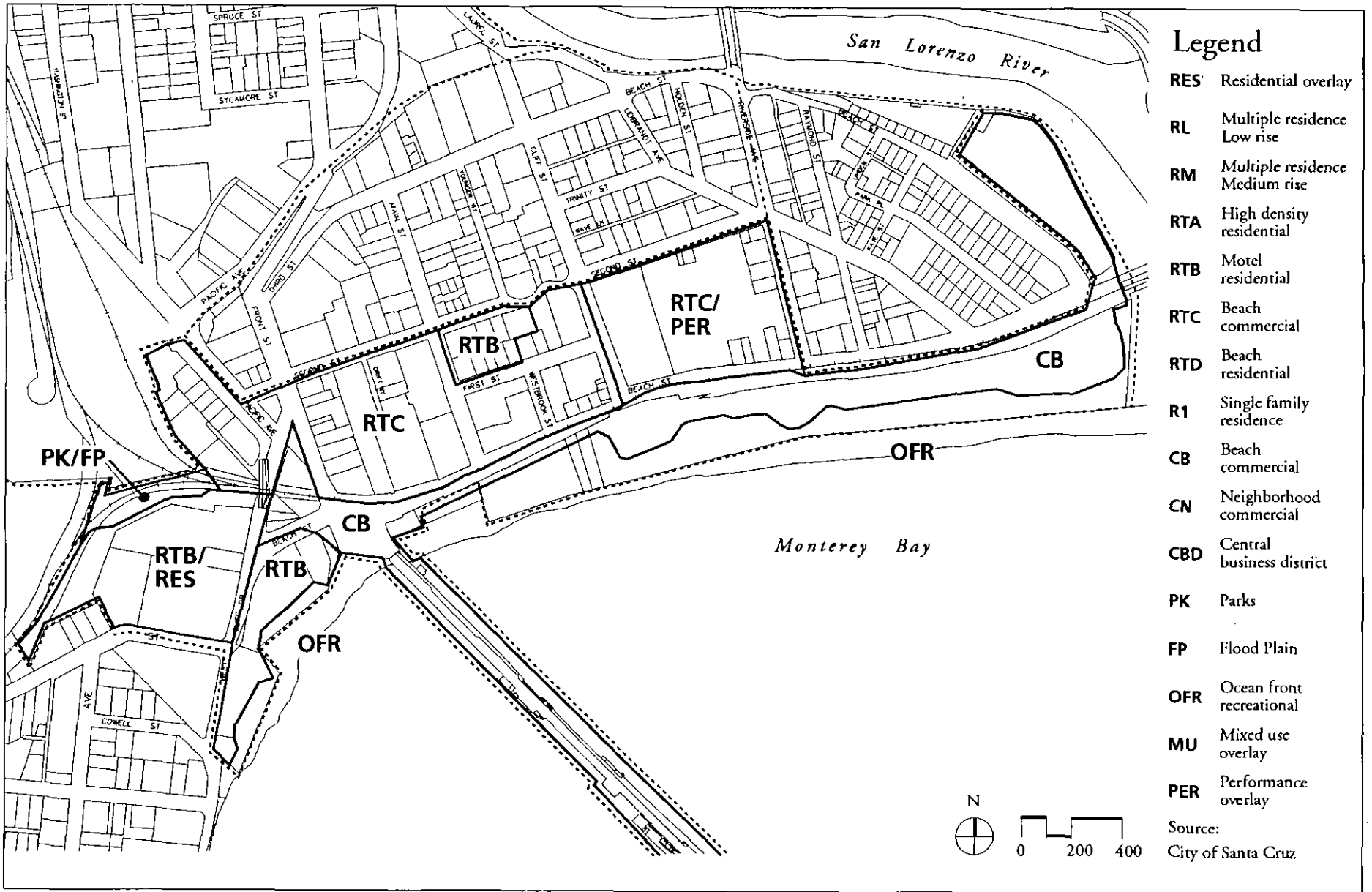
Recommendation: RTC Zone

Add Requirements:

In order to address the management, appearance and functioning of the lodging industry facilities¹² which lie within the RTC Zone, this study recommends modifying the zone to:

- require conformance with Design Guidelines,

¹² Lodging Industry issues are examined in detail in the chapter on economic development.



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Figure 37

Proposed Zoning, Beach Commercial

- permit flexible development standards for those RTC parcels which fall within the Beach Commercial District Overlay Zone,
- require annual licensing renewal for all lodging facilities
- permit temporary uses, subject to administrative review. [24.10.618]

In order to comply with City Council direction regarding development on the Main Beach Parking Lot:

- incorporate an overlay zone on the Main Beach lot which provides performance criteria and development standards which limit development to less than 125,000 square feet, with an emphasis on specialty/boutique retail, entertainment uses and a potential performing arts facility. Structured parking shall also be allowed on this site which must be in compliance with requirements and design criteria outline in the Plan. Development parameters for the Main Beach lot will be determined through a community-based planning process.

Change Boundaries:

This chapter and the previous ones on Beach Hill and Beach Flats have proposed specific boundary changes to the RTC zone within the Beach Commercial Area in order to ensure more compatible development, and provide proper incentives and constraints. They are reflected in the map below. In sum, they are:

- both sides of Riverside Avenue from Third Street to Leibrandt [RTB to RTC]
- east side of Riverside Avenue from Leibrandt to Beach [CB to RTC]
- north side of Second between Cliff and Leibrandt [RTB to RTC],
- north side of First Street between Westbrook and Cliff [RTB to RTC], and
- north side of Beach Street between Riverside and Leibrandt [CB to RTC].

In addition to the other General Plan modifications noted within the text of this chapter, the rezoning from of the intersection of Riverside and Leibrandt from RTB to RTC would require amending the General Plan designation from neighborhood commercial to regional serving commercial. It would also serve to make the existing El Mercado a conforming use.

Recommendation: CB Zone

The CB zone covers the use, appearance and functioning primarily of the Wharf, the Wharf Intersection, and Boardwalk. In order to be able to govern and encourage compatible uses, this study recommends modifying the zone to:

- require conformance with Design Guidelines for all renovations/development outside of existing Boardwalk facilities,
- permit temporary uses subject to administrative review
- modify parking dimension standards to accomplish Local Coastal Zone goals and provide access,

- modify height and bulk standards to be consistent with EIR criteria regarding height and subject all proposals to administrative review.
- eliminate incompatible uses in the text.

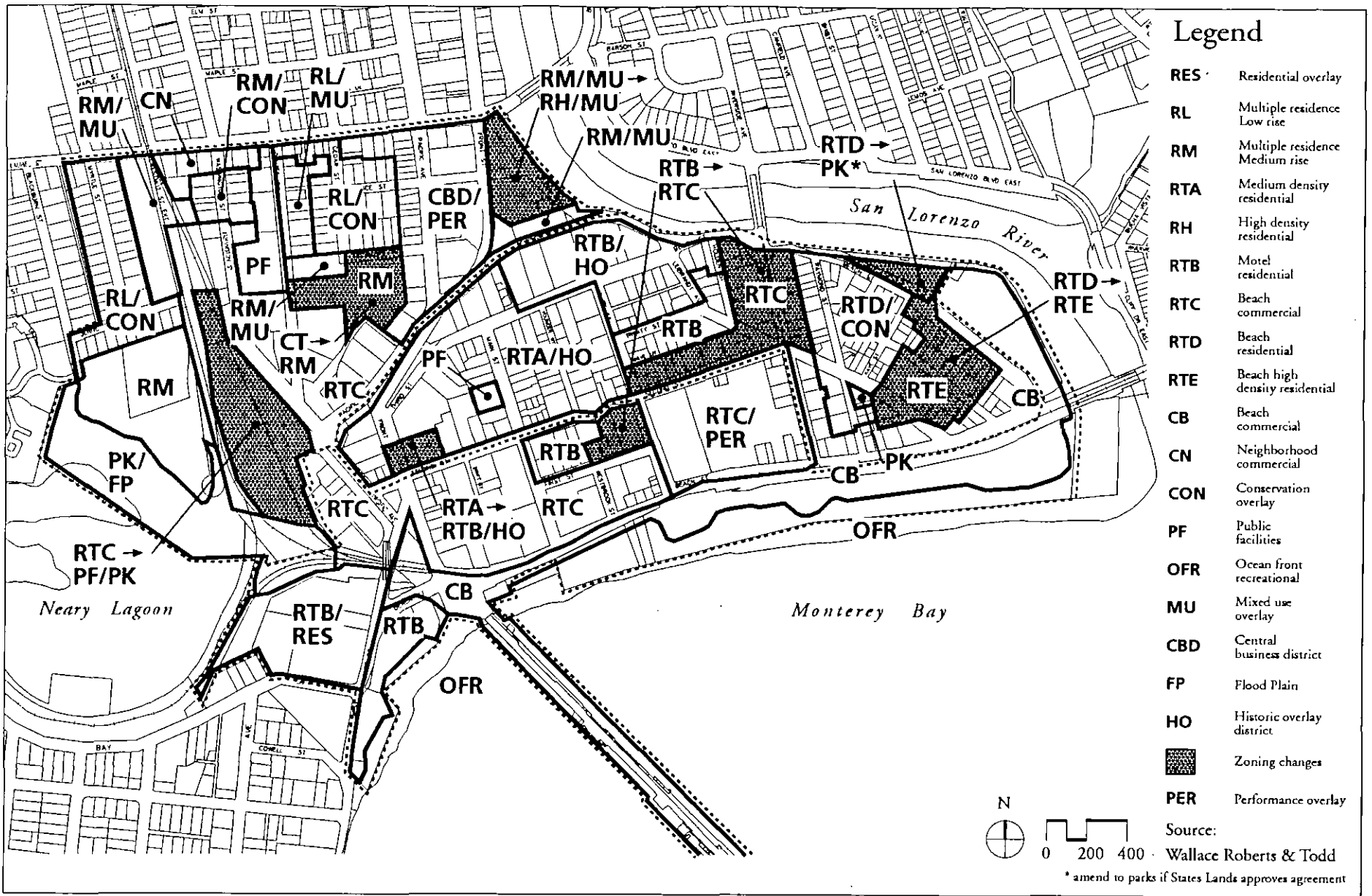
Recommendation: RTB Zone

In order to address the management, appearance and functioning of the lodging industry facilities which lie within the RTB Zone, this study recommends modifying the zone to:

Add Requirements:

- require conformance with Design Guidelines,
- require annual licensing renewal for all lodging facilities,
- clarify distinction between transient and extended stay facilities.
- incorporate an overlay zone on the West Coast Santa Cruz Hotel parking lot site to modify the RTB zone to eliminated future motel or hotel development.





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Figure 38

Zoning Changes