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**Planning Commission**  
**Regular Meeting**  
**7:00 p.m. - Thursday, January 7, 2016**  
**City Council Chambers, 809 Center Street**

**Call to Order — 7:00 pm**

**Roll Call —**

**Present:** J. Conway; M. Mesiti-Miller; C. Nielsen; M. Primack; M. Tustin;  
P. Spellman, Vice-Chair; P. Kennedy, Chair.

**Absent:** None.

**Staff:** Director, J. Rebagliati; Principal Planner E. Marlatt; Senior Planner, M. Ferry; Housing and Community Development Manager, C. Berg; Recorder, M. Schwarb.

**Audience:** 5

**Statements of Disqualification — None.**

**Oral Communications — None.**

*No action shall be taken on these items.*

*The Chair may announce and set time limits at the beginning of each agenda item.*

**Announcements — None.**

**Public Hearings —**

1. **555 Pacific Avenue CP15-0178 APN 007-023-17**  
Development Agreement for an approved four story mixed use project (CP13-0021) including ground floor commercial space with 94 upper level small ownership units (SOUs) to allow more than 50% of the SOUs to be rented out on property located in the CBD-E zone district. (Environmental Determination: Categorical Exemption) (SONA RESORTS INC, owner/filed: 10/19/2015) MF  
**RECOMMENDATION:** That the Planning Commission recommend that the City Council acknowledge the environmental determination and recommend to the City Council approval of the Development Agreement based on the draft Ordinance and Conditions of Approval.

Senior Planner Ferry presented the staff report and Housing and Community Development Manager Berg explained the development agreement and answered questions. Mike Black and Jon Lee of Barry Swenson Builders explained the necessity for the changes to the Development Agreement.

The Public Hearing was opened. Speaking from the audience:

- Rupesh Zawal.

The Public Hearing was closed.

The Commissioners asked questions and made comments regarding:

- Affordability;
- Management company requirements;
- Homeowner's Association;
- Limits on investment ownership;
- Parking for rentals;
- Subsidized rental requirements;
- How the buy-out formula was achieved;
- How is low income housing monitored;
- Concerns about workability of project;
- Concerns about affordable units.

**ACTION:** Commissioner Conway moved, and Commissioner Primack seconded, that the Planning Commission recommend that the City Council acknowledge the environmental determination, approve the Development Agreement based on the draft Ordinance and Conditions of Approval. The motion carried on a vote of 7-0 with all Commissioners in favor, adding the following changes:

- Eliminate developer buy out potential of the fourteen permanent affordable units;
- Eligibility for permanent affordable units to be at 80% of area median income, but rents would be set at 70% of area median income; and in the supplemental fourteen affordable units, eligibility to be at 60% and rents to be set at 50% of area median income;
- Some percentage of units to be rented to tenants in a rental assistance program at fair market rate.

**ACTION:** Commissioner Primack moved, and Commissioner Spellman seconded, that the Planning Commission recommend that the City Council explore amendments to the codes that encourage flexibility in our housing ordinances and responsiveness to the ever-changing economic condition. The motion carried on a vote of 7-0 with no Commissioners opposed.

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2. 412 Ocean View Avenue CP15-0199 APN 010-111-10  
Conversion Authorization Permit to convert a fourplex to a single-family residence in the R-L zone district. (Environmental Review: Categorical Exemption) (Marcy Rode and Adam Doble, owners/filed: 11/17/2015) RB  
RECOMMENDATION: That the Planning Commission deny the request for a Residential Demolition Authorization Permit.

**ACTION:** This item was CONTINUED to the meeting of February 4, 2016, at the request of the applicant.

**Informational Items — None.**

*No action shall be taken on these items.*

**Subcommittee/Advisory Body Oral Reports —**

*No action shall be taken on these items.*

Chair Kennedy noted that the Downtown Ordinance Amendments sub-committee met and had a revised report from Roma.

- Chairperson's Report - None.
- Planning Department Report

Director Rebagliati noted that the Beach Flats Garden project which Planning Commission approved was not appealed. Next meeting will be an application for Shakespeare Santa Cruz at DeLaveaga Park and will be held at the Civic Auditorium.

**Items Referred to Future Agendas — None.**

**Adjournment — 9:55 pm**

The next Planning Commission meeting will take place on January 21, 2016 at the Civic Auditorium, 307 Church Street.

Any writing related to an agenda item for the open session of this meeting distributed to the Planning Commission less than 72 hours before this meeting is available for inspection at the City Planning Department, 809 Center Street, Room 107 or on the City's website [www.cityofsantacruz.com](http://www.cityofsantacruz.com). These writings will also be available for review at the Planning Commission meeting in the public review binder at the rear of the Council Chambers.

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APPEALS - Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk.

Appeals must be received by the City Clerk within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a five hundred fourteen dollar (\$514) filing fee, unless the item involves a Coastal Permit that is appealable to the Coastal Commission, in which case there is no fee.

APPROVED: \_\_\_\_\_  
Pete Kennedy, Chair

ATTEST: \_\_\_\_\_  
Juliana Rebagliati, Director