



## PLANNING COMMISSION AGENDA REPORT

DATE: October 5, 2017

AGENDA OF: October 12, 2017

ITEM: **GP15-0002, Amendment to Downtown Recovery Plan, (a Specific Plan) to extend Additional Height Zone A, modify Additional Height Zone B, and modify development standards; amendment to General Plan 2030 to modify Floor Area Ratio for Regional Visitor Commercial land use designation; amendment to Local Coastal Program Land Use Plan text to modify San Lorenzo Urban River Plan land use development policies; amendment to Municipal Code Section 24.10, Part 24, Central Business District (CBD) of the Zoning Code to modify Outdoor Extension Area regulations. Environmental Determination: Environmental Impact Report.**

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**RECOMMENDATION:** Hear presentation, hold public hearing to accept public comments, discuss item and approve the following motion:

Based on substantial evidence in the record, the Planning Commission hereby finds that the public necessity, and the general community welfare, and good zoning practice shall be served and furthered with these proposed amendments; and that the proposed amendments are in general conformance with the principles, policies and land use designations set forth in the General Plan, Local Coastal Program and the adopted Downtown Recovery Plan, a specific plan; and recommends that the City Council:

- 1) adopt a Resolution certifying the Final Environmental Impact Report (FEIR) (Attachment 1);
  - 2) adopt a Resolution including Findings of Fact, a Mitigation Monitoring and Reporting Program, and a Statement of Overriding Considerations (Attachment 2);
  - 3) adopt a Resolution amending the General Plan 2030 text (Attachment 3);
  - 4) adopt a Resolution amending the Local Coastal Program Land Use Plan text (Attachment 4);
  - 5) adopt a Resolution amending the Downtown Recovery Plan, a specific plan, including Planning Commission changes noted in Exhibit A of Attachment 5; and
  - 6) adopt an ordinance amending Section 24.10, Part 24 of the Santa Cruz Municipal Code. (Attachment 6)
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### BACKGROUND:

The Planning Department and the Planning Commission have been working on development standards for the Pacific Avenue Retail District and the Front Street/Riverfront Corridor since the City Council provided direction to undertake a massing study in October 2014 in conjunction with the possible redevelopment of the Santa Cruz Metropolitan Transit District (METRO) site. The study area for these amendments includes properties fronting Pacific Avenue, between

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Cathcart Street and Laurel Street, and properties along Front Street, between Soquel Avenue and Laurel Street.

The October 12, 2017 Planning Commission meeting will be the 20<sup>th</sup> public hearing/meeting to discuss the Downtown Recovery Plan development standards.

It is important to note that the scope of the initial massing study was to identify issues that might be of concern if allowable building heights were to be increased for properties in the study area. This effort and direction was never intended to be an entire re-write of the Downtown Recovery Plan or to modify the successful policies and standards that have served the City well for the past twenty-six years. Instead, the effort was to focus on these areas as opportunities to achieve some of the key City objectives (e.g. providing additional housing and connections to the Riverwalk), while still preserving the positive aspects of downtown and the original vision as developed from the post Loma Prieta earthquake Vision Santa Cruz process.

Santa Cruz has been fortunate to work with some of the top architects and urban design consulting firms in the country and for continuity purposes, contributing consultants in this process included Bob Odermatt, The Odermatt Group; Boris Dramov, ROMA Design Group; and Jim Adams, McCann Adams Studio. All three of these firm principals were original contributors to and authors of the initial Downtown Recovery Plan and provided strong context and leadership in helping craft current proposed language and regulations for the study area.

In addition to the public hearings and meetings with the Planning Commission and City Council, in December 2015 a Planning Commission ad hoc committee was formed to evaluate ROMA Design Group recommendations relating to development standards. This committee completed its analysis in May 2016.

On April 28, 2016, the Planning Commission hosted a presentation from ROMA Design Group and McCann Adams Studio, which included recommendations for modifications to the development standards in the study area. This Planning Commission meeting was followed by a similar presentation to the City Council on May 10, 2016. Additional public Planning Commission meetings were held on June 16, July 21, August 18, and September 15, 2016.

Environmental analysis was initiated in the fall of 2016 and a more detailed history of the environmental review process is described in the Environmental Review section of this report. In June 2017, a public Scoping Meeting was held by the Planning Commission to gain input as to the topics that would be appropriate to evaluate in the Environmental Impact Report (EIR). The June 2017 meeting was also an opportunity for the Planning Commission to incorporate clarifications to the plan and to comprehensively review the Downtown Recovery Plan amendments within the context of the General Plan text amendment, the text amendments to the Local Coastal Program Land Use Plan, and the proposed zoning ordinance amendments. All of the draft documents have been available on the City's website since June 2017. For the purposes of this meeting, additional staff-recommended edits to some of the project documents will also be posted on the City's website along with this report and will be included as Attachment 9 of

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this report. The resulting Downtown Plan amendments represent a balance between retaining development flexibility and providing specific design direction for the properties within the study area.

The purpose of this meeting is for the Commission to accept public comments, discuss the proposed amendments, and forward a recommendation to the City Council on the following items under consideration: Final Environmental Impact Report; amendments to the Downtown Recovery Plan; text amendment to the General Plan; text amendments to the Local Coastal Program Land Use Plan; and ordinance amendments to Section 24.10 of the Municipal Code, an implementing ordinance of the City's Local Coastal Program.

### COMPONENTS OF THE DOWNTOWN RECOVERY PLAN REVISIONS

There are several parts to this project, which when considered together, form the "Project" for the purposes of the environmental analysis.

1. Text amendments to the Downtown Recovery Plan. Full text amendments are referenced as Attachments 7 and 8.
2. Text amendment to the City's General Plan 2030 relating to modification of the Regional Visitor Commercial land use designation Floor Area Ratio range. The proposed text change is part of a draft resolution in Attachment 3.
3. Ordinance amendments to the Outdoor Extension Area regulations in Attachment 6.
4. Text Amendments to the City's certified Local Coastal Program's Land Use Plan in the form of modification to San Lorenzo Urban River Plan policies in Attachment 4.

The focus of the modifications to the Downtown Recovery Plan is on Chapter 4, which include development standards for new construction. However, when viewing the new Downtown Plan as a guiding document for context, it was apparent that simply modifying Chapter 4 would lead to internal inconsistencies. Maintaining the context of the original plan is critical, but an update of some of the language is equally important to recognize the past 26 years of positive redevelopment that has occurred in the downtown. Proposed modifications to Chapters 1, 2, and 3 represent an attempt to maintain a balance between the key visions from the original plan, with the added opportunities to promote more downtown housing. These revisions are part of an overall effort (along with the zoning implementation for consistency with the General Plan 2030) to re-confirm the City objective to maintain a compact and efficient urban form with public greenbelt to limit suburban-type sprawl and to provide some appropriate development incentives to activate the river connections, a longstanding objective of the City's vision.

Chapter 4 of the draft master clean version of the Downtown Plan has been reorganized to combine redundant sections and also add more section titles and topic headings for easier reference and administration of the standards. Much of the existing Downtown Recovery Plan language fluctuated between a general guideline and a specific standard, so rather than re-write much of the existing language, the categories were combined by topic and hopefully, can be

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more effective in the way the language is administered. Including some of the ‘intent’ language alongside any specific development standard is intended to achieve better understanding of individual sections.

The redlined version of the Downtown Plan also includes language proposed for deletion from the Appendices relating to Floor Area Ratio, High Density Overlay (HDO) Zone District, a Live Entertainment Ordinance and other Central Business District ordinances. The Floor Area Ratio and HDO Zone District appendices are no longer needed in the Downtown Plan due to the adoption of the General Plan 2030. The General Plan 2030 includes a specific floor-area-ratio range for the Regional Visitor Commercial designation, which is intended to be modified in conjunction with the Downtown Plan revisions, and the HDO Zone was repealed in 2016. The Live Entertainment and Central Business District ordinances are found in the Zoning Code and are proposed to be removed as appendices from the Downtown Plan.

### ANALYSIS OF PROPOSED CHANGES

The draft Downtown Plan recognizes that the City has ‘recovered’ from the devastating 1989 Loma Prieta earthquake and the past 28 years have seen redevelopment of the downtown into an active community environment.

Some of the key changes include:

- Inclusion of a Use Chart in a table format for both ground level and upper level uses for the districts. This modification allows for easier reference and includes notes with details about particular uses.
- Combining the Guideline language with Development Standard language into the same sections. As noted above, this change allows both the intent of the topic to be read alongside the specific regulatory language in one location and should help with administration.
- Changes the upper level setback 42 degree or 52 degree standard to either a numeric setback above a specific height or a percentage limitation of height.
- Introduces a maximum allowable percentage footprint at various heights for the Pacific Avenue Retail District and west of Front Street for projects taller than 55 feet. This volumetric approach ensures both vertical and horizontal variation to avoid monolithic structures. This regulatory approach is appropriate for the Pacific Avenue Retail District between Cathcart and Laurel Streets. These standards will provide a framework for new development to create the appearance of multiple buildings that more closely follow the existing development pattern of the downtown.
- The draft plan includes requirements for contributing to adjacent public passageways along Cathcart, Elm and Maple. These accessways were identified in the original Downtown Recovery Plan, but the draft plan introduces standards that can lead to their construction.
- The draft plan includes language to require filling adjacent to the river levee to facilitate activation of the Riverwalk. The original Downtown Recovery Plan did encourage filling

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along the levee, but the proposed language makes this public objective a mandatory design feature for new development.

- The draft plan increases allowable heights from 55 feet between Pacific Avenue and Front Street (between Cathcart and Laurel) to 75 feet under certain conditions and up to 85 feet for a smaller portion of sites larger than 50,000 square feet. The 85-foot height limit is not likely to result in an extra story above the 75-foot level due to building code requirements for taller buildings. The 85-foot limit represents the upper limit of mid-rise construction as defined in the building code, where 5 stories of wood-frame floors can be constructed over a concrete podium. The 85-foot height limit can allow for increased architectural variation or a mezzanine level that does not qualify as a separate story. Allowing buildings with six or more floors above a concrete podium will trigger steel frame construction, which essentially equates to a high-rise construction type under the building code. Steel frame construction is much more expensive and the required heights and number of stories to make this type of construction economically feasible are not appropriate for downtown Santa Cruz and not in character with the community.
- The draft plan increases the allowable height along Front Street Properties between Soquel Avenue and Laurel Street from a maximum of 50 feet to a maximum of 70 feet under specific conditions.

### GENERAL PLAN TEXT AMENDMENT

The Central Business District (CBD) zone is the primary zone district that implements the broader Regional Visitor Commercial (RVC) General Plan land use designation. The modifications proposed for the CBD additional height Zone A between Pacific Avenue and Front Street would potentially allow for upper level floor area that could exceed the existing 3.5 FAR in the General Plan RVC designation. The FAR limit is one of three development standards that work together to address bulk and mass of new construction: 1) FAR, 2) Height, and 3) establishing a percentage limitation of varying heights in direct relationship to the size of the property (a volumetric standard).

The proposed text change for RVC designation for the downtown area is from 3.5 FAR to 5.0 FAR. (Attachment 3) The 5.0 FAR is an appropriate limit for downtown development and is consistent with the diagrams in the Downtown Plan for the Additional Height Zone A, beginning on page 74 of the Downtown Plan.

### PROPOSED ORDINANCE AMENDMENTS TO CHAPTER 24.10

The Central Business District (CBD) zone district is described in Zoning Code Sections 24.10.2300, et. seq. These sections are being revised to reflect the changes to the Downtown Recovery Plan and essentially reference the Downtown Plan as the source for CBD development standards.

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Section 24.10.2340 addresses the Outdoor Extension Area procedures for allowing private property owners to lease public land adjacent to a business, most commonly used for restaurant seating. This section, which historically only applied to sidewalks along Pacific Avenue, is being expanded to reflect the concept that uses adjacent to the Riverwalk may also utilize the City's license agreement process to be able to allow for private maintenance of public areas adjacent to the Riverwalk. The filling of land adjacent to the levee creates the opportunity for more useable public space and through the extension area agreement process and will allow these areas adjacent to the Riverwalk to be more publicly active spaces. The proposed ordinance changes are consistent with the proposed Downtown Plan changes to encourage activation of these areas adjacent to the Riverwalk.

Finally, Section 24.10.2341 is a newly proposed section of the Zoning Code, which will formalize the Parklet Pilot Program created in 2016. While this section is not directly related to the Downtown Plan amendments, it is an important component of the downtown activity scene to improve business opportunities and provide another way to activate the street with positive uses. The two existing Parklet facilities have been very successful and the proposed ordinance language reflects the installation and operational details that have been developed during the pilot program by Public Works, Planning and Economic Development. The Planning Commission reviewed this draft ordinance in June 2017 and staff is suggesting modifications to the term 'parklet' to more accurately reflect the use of these spaces. A parklet typically refers to publicly accessible open spaces 24 hours per day and typically do not contain a commercial component. The City's Parklet Pilot Program was set up to allow adjacent business the opportunity to lease space in the public right-of-way adjacent to the curb. Therefore, the proposed ordinance language refers to these spaces as Curbside Extension Areas instead of parklets. The procedure and intent remains the same and there are no substantive differences in the previous parklet ordinance.

The draft ordinance amendments are found in Attachment 6.

### LOCAL COASTAL PROGRAM (LCP) REVISIONS CONSISTENCY WITH COASTAL ACT

The City's LCP consists of a Land Use Plan, implementing ordinances and maps applicable to the coastal zone portions of the City. The Land Use Plan (LUP) consists of policies, programs and maps; Area Plan coastal policies and maps; and a Coastal Access Plan. The Implementation Plan (IP) consists of ordinance and regulations used to implement the Land Use Plan, including sections in the Zoning Ordinance.

A portion of the downtown lies within the coastal zone (basically the areas south of Elm Street) and Chapter 4 of the Downtown Recovery Plan is incorporated by reference for the development standards of the Central Business District, as an implementation section of the LCP; which means that revisions to the Chapter 4 require approval (certification) by the Coastal Commission.

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For the purposes of the combined LCP amendment package, the project requires amendments to both the Land Use Plan and the Implementation Plan:

### LCP Land Use Plan Text Amendment

- Nine policies from San Lorenzo Urban River Plan (SLURP), deleted, combined and rephrased to three policies.

### LCP Implementation Plan Amendment

- Chapter 4 of the Downtown Plan sets forth the Central Business District Zone District development standards for the Regional Visitor Commercial land use designation
- Zoning Code Section 24.10 sets forth Outdoor Extension Area regulations in the Central Business District, including future publicly accessible areas created west of the Riverwalk

The Coastal Commission staff has submitted comment letters relating to the proposed Downtown Plan amendments (included with the Final EIR). These comments were produced in the context of the environmental review process, but some are relevant to policy discussion and not necessarily related to evaluating the environmental impacts of the proposed changes. The Environmental Review section of this report includes a summary of the Final EIR and conclusions from the analysis. The Final EIR includes responses to comment letters, as well as a consistency analysis with the Coastal Act. Rather than repeat the analysis from the Final EIR, the analysis in this section will expand the focus of the LCP amendment components and provide additional supporting evidence of consistency with the Coastal Act.

Since the original certification of the City's LCP in 1985, additional plans have been prepared and policies incorporated into the LCP as amendments. One of the documents that the City independently approved in 2003 was the San Lorenzo Urban River Plan (SLURP). This document was approved as a resource management protection plan for the river and included many recommendations for management of the river. Subsequent to the City Council approval, several resource-related and land use policies were extracted from the SLURP and packaged for certification by the Coastal Commission as an amendment to the City's LUP.

Recommendations included in the SLURP were summarily converted to six Goals and 118 Objectives and Policies; which were forwarded to the Coastal Commission for certification as part of the LCP in 2004. The proposed Downtown Plan amendments include addressing 11 of the policies relating to land use and this amendment package does not affect the other 107 policies that are related to resource management and maintenance of the San Lorenzo River. All of these river management and environmental policies remain intact with no proposed changes as part of the update to the Downtown Recovery Plan and are therefore consistent with Coastal Act, specifically the Land Resource policies of Article 5.

The land use policies recommended in the SLURP were oriented toward encouraging greater access to the Riverwalk and improving the interface between the built environment and the Riverwalk. There were nine SLURP policies relating to Front Street development that were

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simply added to the LCP for certification after the SLURP was approved. These nine LUP policies are proposed to be replaced with three policies in conjunction with the modifications to the Downtown Recovery Plan. (Attachment 4) The three policies strongly promote improved coastal access and are therefore consistent with Coastal Act Article 2, Public Access and Article 3, Recreation.

The original Downtown Recovery Plan included recommendations for connections to the Riverwalk as key urban development concepts. These connections were identified for Cathcart Street, Elm Street and Maple Street. The SLURP recommended reinforcing these connections to the Riverwalk. While the downtown has largely been reconstructed after the Loma Prieta earthquake and development has successfully followed the Downtown Recovery Plan guidelines and standards, the redevelopment of Front Street properties to encourage these Riverwalk connections to link downtown and the river have not materialized. There has been no redevelopment of properties on the east side of Front Street in this area, other than minor remodels and none of the identified connections to the Riverwalk have been improved beyond the existing two asphalt paths (south of Cathcart and north of Laurel).

A fundamental component of improving these public connections to the Riverwalk is to provide development incentives to a degree that will facilitate private construction and maintenance of the public connections, while also allowing for increased opportunities for transit-oriented development in the appropriate locations of the downtown.

The Coastal Commission letters expressed concerns over the height of buildings and changes that may occur relating to the visitor experience along the Riverwalk. These concerns are most directly related to Article 6, Development Section 30251 of the Coastal Act, which reads:

### **Section 30251.**

The scenic and visual qualities of coastal areas shall be considered and protected as a scenic resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, and where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastal Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

The programmatic EIR for the project included analysis of policy consistency and found that the proposed amendments are consistent with the Coastal Act policies. For this policy in particular, any proposed development to be reviewed under these amendments will not conflict with “views to and along the ocean and scenic coastal areas”. The area is not adjacent to the coast and the views toward the downtown from Riverwalk do not constitute “scenic coastal areas”. The photographic simulations clearly indicate that the backdrop of views from the Riverwalk is the downtown Santa Cruz and not the coast or a scenic mountain vista. The developed downtown is clearly not relevant to this Coastal Act policy and therefore, the amendments are not only

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consistent with the scenic, visual and aesthetic related policies of the Act; the amendments will also not cause a significant impact to the environment.

There has been no evidence provided to indicate that the maximum 70-foot height limit would be more degrading to the user experience of the Riverwalk than the existing allowed 50-foot height limit. The plan requires upper level stepbacks (ABOVE the 50 foot level), as well as a variation in the skyline. People do not experience the Riverwalk at 50 or 70-foot level, they experience at eye level and with required landscaping and upper level stepbacks, the upper portions of the buildings will likely not be visible from a pedestrian view. Distant views of the downtown skyline will change, but will not result in a better or worse experience to the viewer than presently exists of the buildings that comprise the downtown skyline. There is simply no scenic backdrop to the City skyline when viewing downtown from the east.

In 2010, the City completed another study to specifically analyze the development standards along Front Street (and other areas) to evaluate and identify the impediments to construction and redevelopment to make these connections more realistic. The River/Front and Lower Pacific Design Guidelines and Development Incentives (River/Front Study) concluded that the shallow depth of the Front Street parcels and the associated on-site parking requirements did not incentivize redeveloping these parcels. The 2010 River/Front Study included an economic analysis that concluded that redevelopment of the parcels at 50-foot height limits would not be economically viable redevelopment due to the land costs, shallow parcel depth and on-site parking requirements. The in-depth River/Front Study was more complete as a land use planning document for properties adjacent to the river than the SLURP and the original Downtown Recovery Plan. The SLURP was a conceptual land use document with emphasis on the management of the river ecosystem between the levees, while the River/Front Study was a more in-depth economic and feasibility study that included evaluation of some of the concept recommendations identified in the SLURP. Therefore, it is entirely reasonable for the City to use this additional information from the River/Front Study to formulate land use planning development standards for the area considered with the Downtown Plan amendments.

The ROMA Design Group recommendations relating to the Downtown Recovery Plan reinforced the River/Front Study analysis that to achieve these river connections and to incentivize more activity along the Riverwalk, additional height would be needed to make the redevelopment of this area economically feasible. The Draft Plan will also allow for the option of parking to be located off-site within the Downtown Parking District, which will relieve these shallow parcels from the requirement to include parking on-site.

The combination of the River/Front Study and the additional ROMA massing evaluation has provided technical analysis to move the development standards from the original concepts of the Downtown Recovery Plan and the SLURP. The resulting Downtown Plan will include far superior (and realistic) development incentives to finally implement the downtown vision to connect people from downtown to the Riverwalk.

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Chapter 4 of the Downtown Plan, the amended LCP Land Use Plan policies and the Outdoor Extension area ordinance are all consistent with the Coastal Act and together will:

- Encourage and incentivize maximum public access to the San Lorenzo River in accordance with the Public Access Section 30210 of the Coastal Act.
- Achieve superior connections to the San Lorenzo River above the existing Downtown Recovery Plan and existing SLURP policies consistent with Section 30211 of the Coastal Act. While the downtown has no coastal beach access within its boundaries, the Plan will facilitate better public access to the Riverwalk.
- Ensure that development adjacent to the Riverwalk will be designed to prevent impacts to the adjacent sensitive San Lorenzo River and will incentivize clean-up of degraded areas along the levee. The Plan will continue to be sensitive to the pedestrian experience along the Riverwalk with design guidelines and upper floor step backs and open river pedestrian connects that will provide light, air and open space between buildings. The Plan is consistent with Section 30240 of the Coastal Act relating to Land Resources and adjacent development.
- Enhance opportunities to view and interact with the San Lorenzo River as a coastal resource. The Plan standards ensure that development will be sited and designed to be visually compatible with the surrounding downtown, while promoting new open space pedestrian plazas and passageways to the Riverwalk. The filling of the levee and associated required landscaping of these areas is superior to the existing Downtown Recovery Plan and SLURP land use policies and will better achieve stewardship and scenic values over the existing conditions near the Riverwalk. The Plan supports the Coastal Act Scenic and Visual protection policy Section 30251 to protect and increase opportunities for viewing the river, a coastal resource. New development will not obstruct public views to the San Lorenzo River since the levee is an average of about 10 feet above the Front Street sidewalk, but will increase ability and opportunities for the public to view the river.

The amendment package has been fully analyzed in the EIR, including an evaluation of the amendments for consistency with the Coastal Act. The Downtown Plan and associated amendments have been found consistent with the Coastal Act, specifically Chapter 3 and the policies and standards relating to Public Access, Land Resources and Development. The proposed Downtown Plan amendments do not affect the allowed land uses other than to increase the opportunities for coastal access.

As evidenced by the lack of redevelopment along the Front Street properties over the past 26 years, the desire for public connections to the Riverwalk will not materialize on their own without corresponding development incentives such as increasing the height to allow for more housing and visitor-serving uses.

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As noted in the Environmental Review section of this report, the CEQA process does not take into account beneficial impacts. The long-held objectives of the Riverwalk connections from Front Street and downtown must be prioritized to be successful, and the evidence strongly suggests that without incentivizing increased (smart growth) development in the most appropriate locations of the City, the public improvements will not be developed. This is an opportunity for the City to achieve multiple objectives and the difference of 20 feet in height above the existing development standards will be viewed as a minor variation to the City skyline when compared to the substantial public benefits created by the Downtown Plan changes.

### ENVIRONMENTAL REVIEW

The Draft EIR for the proposed amendments was released for public comment on August July 26, 2017. The public comment period ended on September 8, 2017. State law requires a minimum 45-day public review period. The Final EIR has been completed and was made available to the public on October 5, 2017. Hard copies, CDs or notices of website availability of the Final EIR have been distributed to agencies, organizations and individuals that submitted comments. In addition to the City website, members of the public have been able to access the Final EIR at the Main branch of the public library. During the public review period three agencies, four organizations and twelve individuals commented on the Draft EIR for a total of nineteen comments.

The Draft EIR was prepared as a “Program EIR” pursuant to the State CEQA Guidelines. A program EIR is an EIR which may be prepared on a series of actions that can be characterized as one large project, such as the geographically related Downtown Plan. A program EIR can provide a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action and can ensure consideration of cumulative impacts that might be slighted in a case-by-case analysis. A program EIR can be used as part of the environmental review for later individual projects to be carried out pursuant to the project previously analyzed in the program EIR, where impacts have been adequately addressed in the program EIR. This is referred to as “tiering” as set forth in the State CEQA Guidelines. “Tiering” uses the analysis of general matters contained in a broader EIR (such as one prepared for a Specific or Area plan) with later EIRs and negative declarations on narrower projects, incorporating by reference the general discussions from the broader EIR and concentrating the later EIR or negative declaration solely on the issues specific to the later project. The State CEQA Guidelines encourage agencies to tier the environmental analyses which they prepare for separate but related projects, including general plans, zoning changes, and development projects.

As a program EIR, the document focuses on the overall effect of the modifications proposed to the Downtown Plan, the General Plan text amendment, LCP policy amendments, and the Zoning Code amendment. The analysis in the EIR does not examine the effects of site-specific projects that may occur within the overall umbrella of the Downtown Plan in the future.

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To aid the environmental analysis, a “buildout” projection was developed, which considers a reasonable “worst case” of the development potential of land permitted under the proposed Downtown Plan amendments that could occur as estimated in Appendix D of the Draft EIR.

CEQA Guidelines require that an EIR describe and evaluate alternatives to the project that could eliminate significant adverse project impacts or reduce them to a less-than-significant level.

- No Project – Required by CEQA
- Alternative 1 – Reduced Height for Expanded Additional Height Zone A to 75 feet and Elimination of Additional Height Zone B
- Alternative 2 – Reduced Height for Additional Height Zone A to 75 feet along Pacific/Front and Reduced Height for Additional Height Zone B to 60 feet along the San Lorenzo River with Development Standard Modifications: eliminate encroachment over property line and require 10-foot setback above 50 feet

### Environmentally Superior Alternative

According to CEQA Guidelines section 15126.6(e), if the environmentally superior alternative is the “no project” alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives. Furthermore, Sections 21002 and 21081 of CEQA require lead agencies to adopt feasible mitigation measures or feasible alternatives in order to substantially lessen or avoid otherwise significant adverse environmental effects, unless specific social or other conditions make such mitigation measures or alternatives infeasible. Where the environmentally superior alternative also is the no project alternative, CEQA Guidelines in Section 15126(d)(4) requires the EIR to identify an environmentally superior alternative from among the other alternatives.

For the Downtown Plan defined as the “Project” for CEQA purposes, none of the alternatives, including the No Project Alternative would eliminate significant project impacts and cumulative impacts related to traffic, although all alternatives would result reduce the level of impact. Table 5-5 of the Draft EIR presents a full comparison of project impacts between the proposed project and the alternatives. Excluding the No Project Alternative, Alternative 1 – Reduced Height for Additional Height Zone A and Elimination of Additional Height Zone B – is considered the environmentally superior alternative of the alternatives considered. Although it would not reduce significant impacts to less-than-significant levels, it could result in the greatest reduction of traffic and water demand impacts and reduce some of the other identified significant impacts. However, it would not fully meet project objectives.

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### Limitations of CEQA

While the CEQA evaluation process for projects has been established to identify adverse impacts to the physical environment, it is only one criterion for a jurisdiction to consider when evaluating the merits of a project. The CEQA process does not identify positive effects on the environment and therefore, is limited in its application when evaluating the true impacts of land use decisions at a local level. The Project, as evaluated for CEQA purposes, contains many positive environmental impacts including: promoting more opportunities for transit-oriented development in the downtown, which will directly lead to a reduction in vehicle miles traveled and fewer GHG emissions per capita than development located further away from transit opportunities; directly requiring improvements to the Riverwalk, thereby increasing public activity along the river; requiring filling adjacent to the river levee to eliminate areas that encourage negative social behavior and degrade and create an unsafe experience for Riverwalk users; providing development incentives through additional height, which can lead to economic development for public uses adjacent to the Riverwalk, such as restaurants and cafes; and finally, increasing opportunities for much needed housing near the City's job centers.

When positive impacts are weighed with the potential adverse impacts identified through the CEQA process, the benefits of the proposed amended developments standards far exceed any identified environmental impact, resulting in a net positive environmental impact for the community.

### REQUIRED FINDINGS:

General Plan, specific plan, and Zoning Code text Amendments require the Planning Commission to make the following finding per Section 24.06.040 of the Zoning Code.

The commission shall find that the public necessity, and the general community welfare, and good zoning practice shall be served and furthered; and that the proposed amendment is in general conformance with the principles, policies and land use designations set forth in the General Plan, Local Coastal Plan and any adopted area or specific plan.

The Planning Commission is a recommending body to the City Council, and the City Council will be required to make additional findings for its action on the proposed amendments.

### CONCLUSION:

The proposed amendments have been carefully developed with assistance from recognized leaders in architecture and urban planning, in conjunction with extensive public input during multiple public meetings and discussions with the City Planning Commission and staff. The resulting amendments are consistent with the Coastal Act and as noted above, the benefits will greatly exceed the adverse impacts identified in the EIR. Therefore, staff recommends that the Planning Commission move and approve the draft motion as stated on page one of this agenda report.

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Prepared by:  
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Approved by:  
Lee Butler  
Director of Planning and  
Community Development

Attachments:

- 1) Draft Resolution certifying the Final Environmental Impact Report (FEIR)
- 2) Draft Resolution including Findings of Fact, a Mitigation Monitoring and Reporting Program, and a Statement of Overriding Considerations
- 3) Draft Resolution amending the General Plan 2030 text
- 4) Draft Resolution amending the Local Coastal Program Land Use Plan text
- 5) Draft Resolution amending the Downtown Recovery Plan
- 6) Draft Ordinance amending Section 24.10, Part 24 of the Santa Cruz Municipal Code
- 7) Clean version of the Downtown Plan
- 8) Redlined version of the Downtown Recovery Plan
- 9) Changes to the June 15, 2017 Downtown Plan Based on EIR Mitigation Measures