



Objective Development Standards and Zoning Updates

Community Frequently Asked Questions, October 2022





Agenda

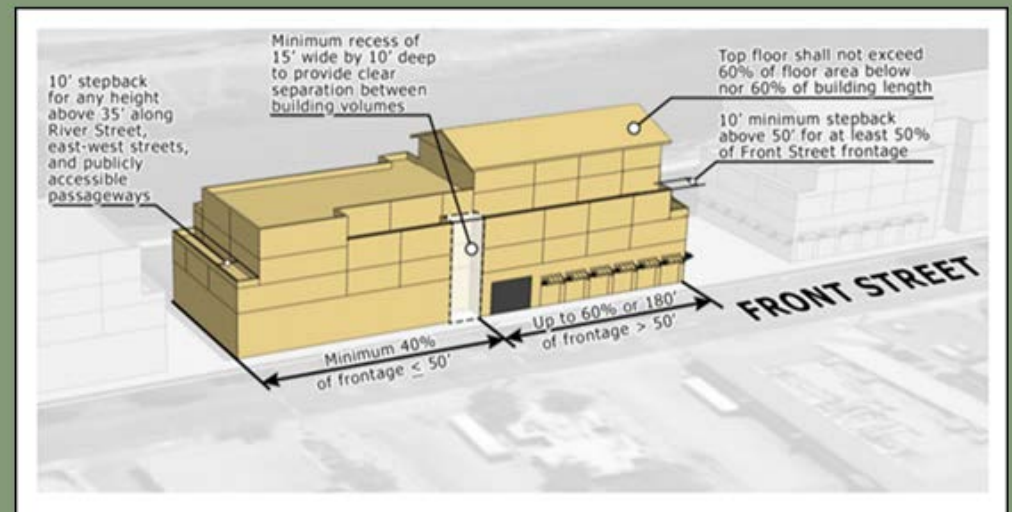
1. Project Background
 - Questions on where standards apply
2. General Plan Housing Intensity
 - Questions on Zoning and Density Bonus
3. Complexity of Standards
4. Development Review/Public Hearings Policy Choices
 - Questions on Public Hearings
5. Environmental Review
 - Sidewalk width/Trees
6. Why increase heights from 40 to 45' on Commercial Property?
7. How do we ensure our housing element is certified by HCD?

Project Background

- 2030 General Plan and Zoning Ordinance
 - General Plan adopted 2012
 - Zoning does not implement
- SB2 grant to create objective standards
- Housing Crisis Act of 2019
 - Must use objective standards
 - Standards must allow for planned residential capacity of a property
- *"...shall not...reduc[e] the intensity of land use..."*
 - Reductions to height, density, FAR, lot coverage; increases to setbacks, open space or minimum parcel size. Anything that would "lessen the intensity of housing."

Subjective
Development must be compatible with the character of the neighborhood.

Objective



Downtown Plan Objective Standards

Enforcing State Laws



CA.GOV

Office of Governor GAVIN NEWSOM

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Governor Newsom Signs Legislation to Increase Affordable Housing Supply and Strengthen Accountability, Highlights Comprehensive Strategy to Tackle Housing Crisis

Published: Sep 28, 2021

Governor Newsom has signed 31 affordable housing bills focused on cutting red tape and holding cities accountable for providing their fair share of housing

California Comeback Plan's \$22 billion housing and homelessness investment will lead to the creation of over 84,000 new housing units and exits from homelessness

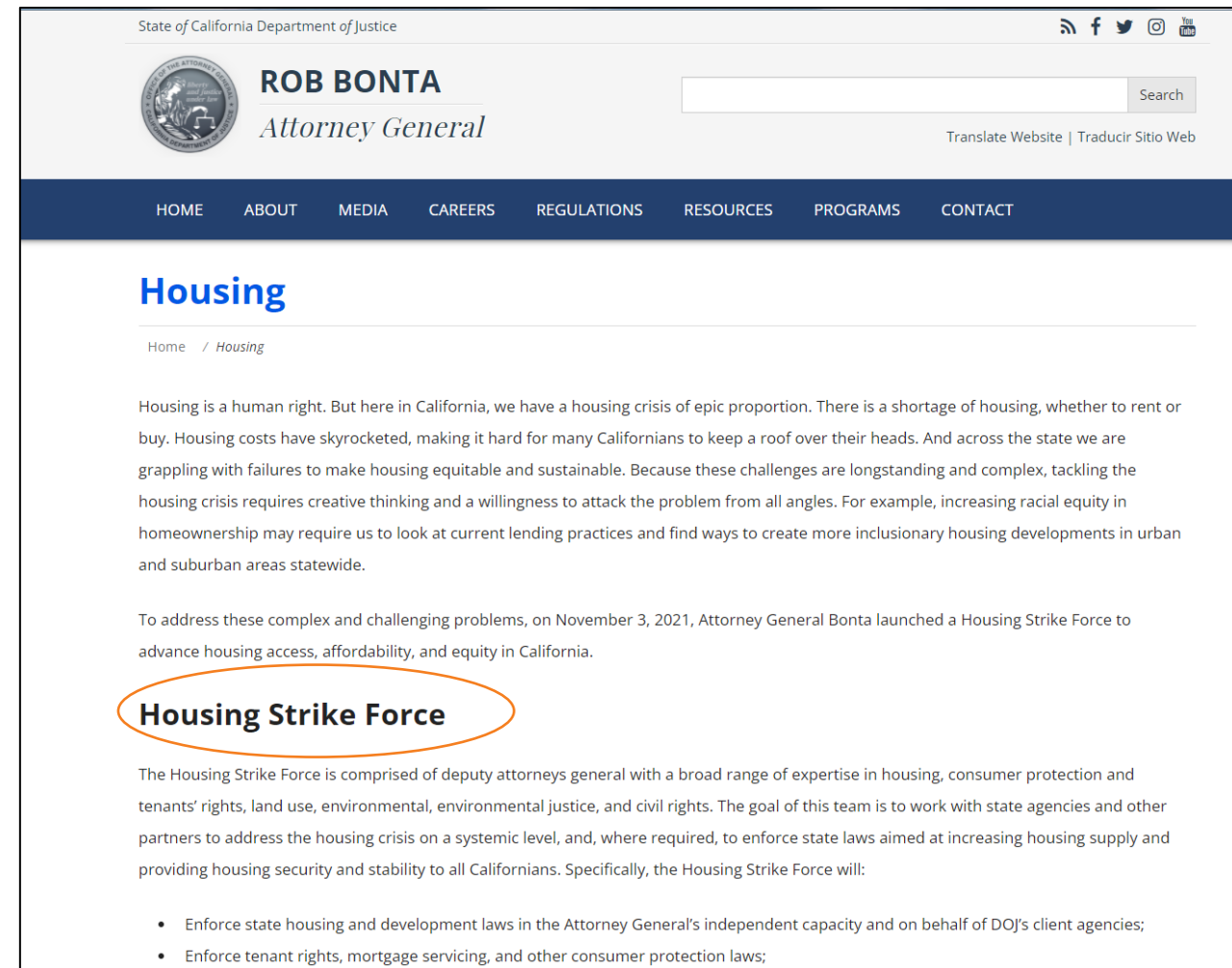
Governor announces new Housing Accountability Unit at HCD to support local jurisdictions' efforts to create housing

California Comeback Plan funds new \$100 million grant program for low- to moderate-income homeowners to build accessory dwelling units

Administration has advanced \$800 million in new or accelerated funding to build affordable, climate-friendly housing and infrastructure

OAKLAND – Today, Governor Gavin Newsom signed a suite of bills to boost housing production across California, complementing the Governor's \$22 billion housing affordability and homelessness package and ongoing work by the state to spur more housing production, tackle barriers to construction and hold local governments accountable. Taken together, the actions represent a comprehensive housing vision and the state's commitment to create more affordable housing, faster and cheaper.

"The acute affordability crisis we are experiencing in California was decades in the making, and now we're taking the necessary steps to fix it," said Governor Newsom, who signed the legislation at an affordable housing development in Oakland today. "This package of smart, bipartisan legislation boosts housing production in California – more streamlining, more local accountability, more affordability, more density. These bills, plus this year's historic budget investments in affordable housing, will directly lead to more inclusive neighborhoods across the state. Creating denser housing near jobs, parks and schools is key to meeting our climate goals as well as our affordability goals."



State of California Department of Justice

ROB BONTA
Attorney General

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Housing

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Housing is a human right. But here in California, we have a housing crisis of epic proportion. There is a shortage of housing, whether to rent or buy. Housing costs have skyrocketed, making it hard for many Californians to keep a roof over their heads. And across the state we are grappling with failures to make housing equitable and sustainable. Because these challenges are longstanding and complex, tackling the housing crisis requires creative thinking and a willingness to attack the problem from all angles. For example, increasing racial equity in homeownership may require us to look at current lending practices and find ways to create more inclusionary housing developments in urban and suburban areas statewide.

To address these complex and challenging problems, on November 3, 2021, Attorney General Bonta launched a Housing Strike Force to advance housing access, affordability, and equity in California.

Housing Strike Force

The Housing Strike Force is comprised of deputy attorneys general with a broad range of expertise in housing, consumer protection and tenants' rights, land use, environmental, environmental justice, and civil rights. The goal of this team is to work with state agencies and other partners to address the housing crisis on a systemic level, and, where required, to enforce state laws aimed at increasing housing supply and providing housing security and stability to all Californians. Specifically, the Housing Strike Force will:

- Enforce state housing and development laws in the Attorney General's independent capacity and on behalf of DOJ's client agencies;
- Enforce tenant rights, mortgage servicing, and other consumer protection laws;



Where do the Objective Standards apply?

- Could there be any objective standards put forward regarding the Warriors arena or future large facility so the public could have some input, or are the standards only for residential or mixed use buildings?

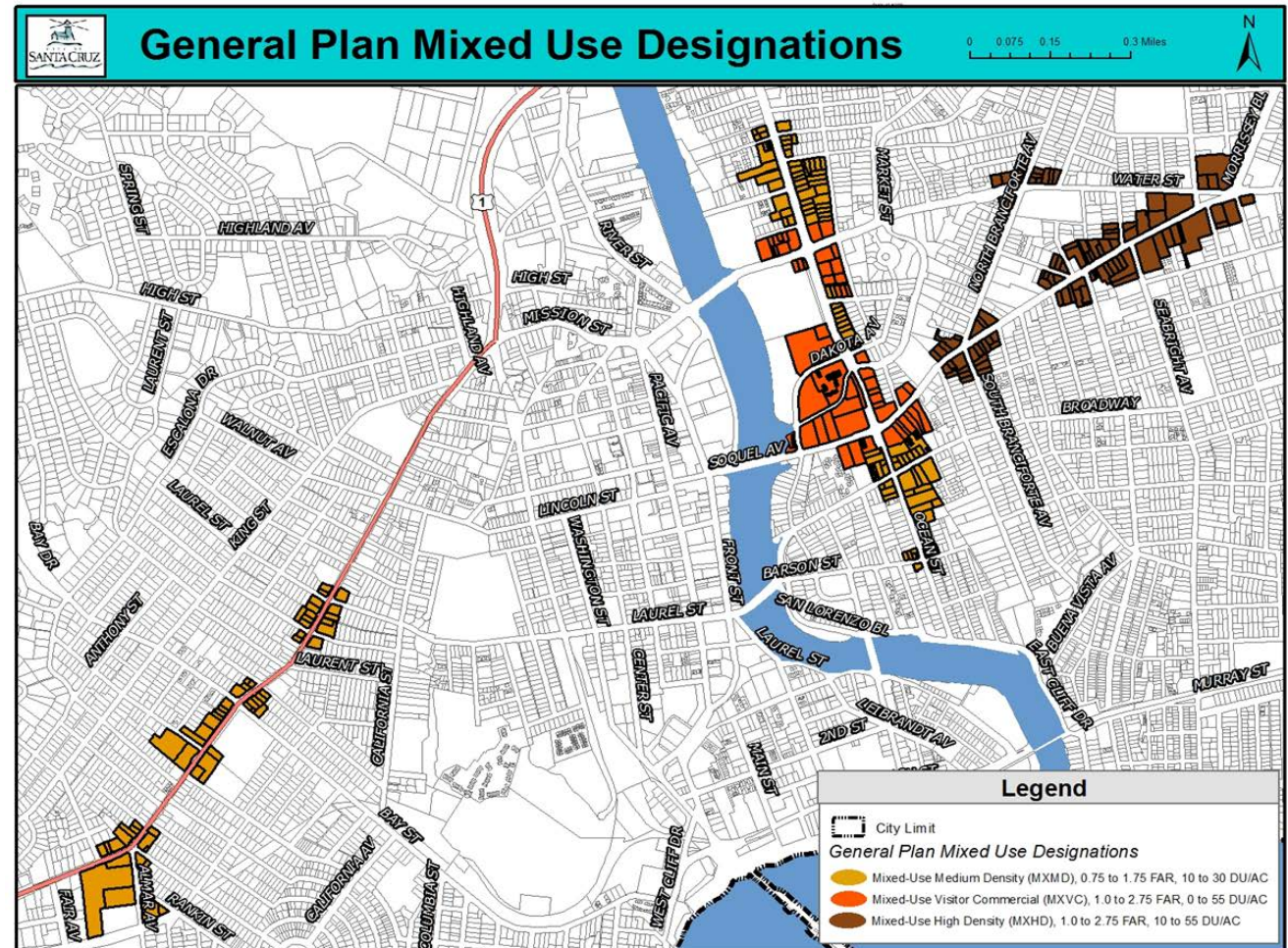
Response

- The Objective Standards apply to Multifamily development (duplex on up).
- Commercial development doesn't bypass local regulations in the same way and is subject to our standard development review processes.
- The Downtown Plan Expansion has a separate public process. Learn more at cityofsantacruz.com/downtown



Housing Intensity: No Change

- State Law requires allowing General Plan Intensity
- Rezoning to only reflect existing intensity allowed





Proposed Development Controls

Allowed Today by General Plan (MXHD)	Allowed by Proposed Zoning (MU-H)
2.75 FAR	2.75 FAR
55 dwellings/acre for 2+ bedroom units	55 dwellings/acre for 2+ bedroom units
No density limit for Single Room Occupancy (SROs), Flexible Density Units (FDUs), 1 bedroom units	No density limit for SROs, FDUs, 1 bedroom units
No height limit	5-story height limit
0'-5' setbacks	20' rear setback minimum
No open space requirement	120 square feet of open space per unit
No neighborhood transition requirement	Above 3 stories, transition at 45 degrees
No building articulation requirement	Articulation of building face and roof



Questions on proposed zoning

- The applicant at 831 Water was able to receive approval for 5 stories using Density bonus law because 50% of the base units are to be affordable. Under the proposed zoning allowing 5 stories, could the applicant revise the project for the same number of units (about 140) but only provide 20% affordable units required by the City, since the height waiver would no longer be necessary? Is the proposed zoning change from 3 to 4 or 5 stories a disincentive to provide more than 20% affordable units?

Responses

- 831 Water site could do this already under state law per our General Plan. The height could have been increased through multiple means, and they chose a density bonus. The 50% affordable meant they qualify for SB35 streamlining with no CEQA.
- The developer could provide a new application for a larger project under the current conditions with or without rezoning. A new application would trigger a new review process.



Questions on proposed zoning

- With a base height requirement of 4 or 5 stories, as proposed along portions of the corridor streets, what would be the maximum heights expected for projects that (1) provide the city required 20% affordable units and (2) provide greater than the city required 20%, given height waivers and concessions allowed under State and local law? That is, what is the maximum height that could be built on these parcels given this new baseline zoning?

Responses

- Providing 20% affordable units at Low Income for the base project (per the City's requirement) allows a 35% density bonus. Providing 15% Very Low Income and 5% Low income also meets the City requirement and allows a 50% density bonus. The density bonus is based on the number of units, the size of units, and other building constraints, and not directly proportional to height.
- A 5-story base project would typically see an increase of 1-2 stories using a 35% density bonus. A 50% bonus would be 1-3 additional stories.
- It is not likely at this time to see a development go above 7 stories outside of downtown.



Questions on proposed zoning

1. If the City increased the height requirements to 4 and 5 stories and later found them to be problematic, could they be reduced back to the current 3 stories without running afoul of State law that prohibits downzoning (without a comparable upzoning elsewhere)?
2. Conversely, could it make more sense to retain the current height envelope on these shallow lots that are immediately adjacent to existing single-family homes, and have developers rely on State and local density bonuses to justify taller buildings?

Responses

1. No, the General Plan already allows this development capacity and that is locked in per state law.
 - Other portions of the objective standards can be revisited, so long as the development capacity allowed by the General Plan can be achieved.
2. No, if the General Plan (GP) and Zoning are out of sync, the higher capacity (GP in this case) prevails. In this situation, the developer is able to waive any zoning standards to make the GP capacity feasible.
 - Not having Zoning that accommodates the GP capacity takes away local control and provides the community with far less say over development outcomes.

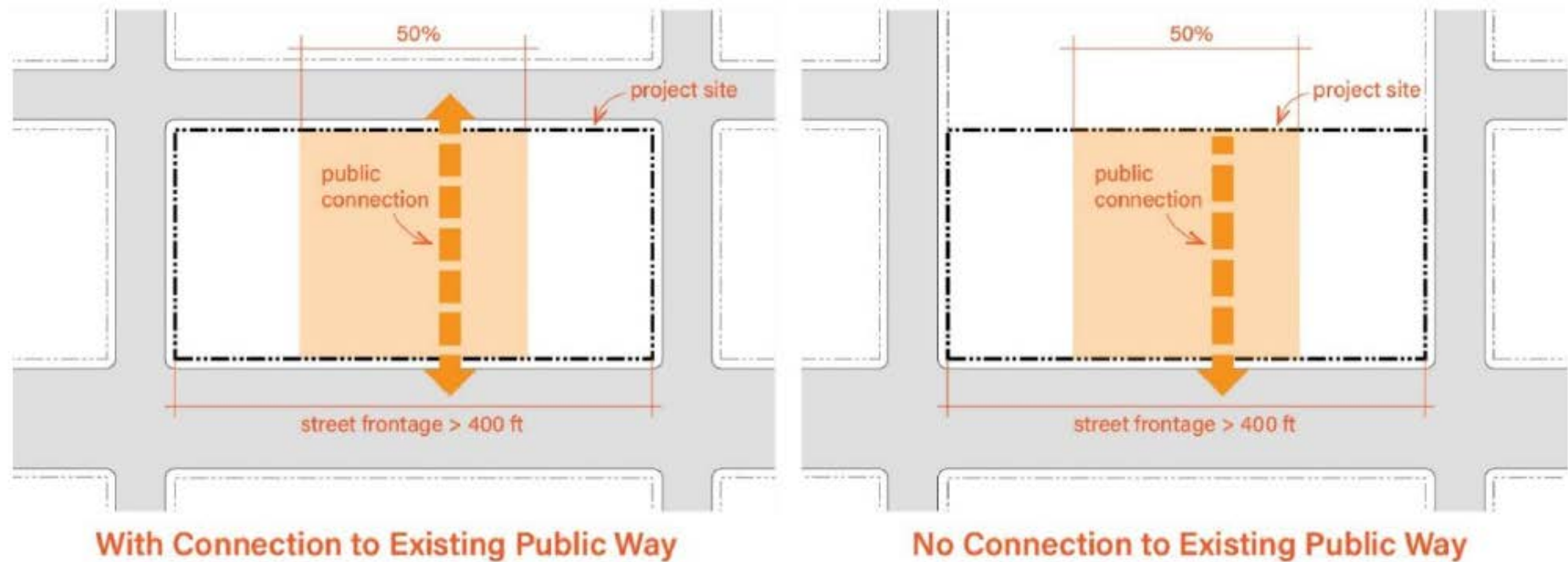


Complexity of Standards

- Responsive to Community input
 - Offer multiple options for eclectic look
- Design Standards are part of Code AND Stand-Alone
- Include Parks and Rec and Public Works
 - Based on public feedback from 831 Water

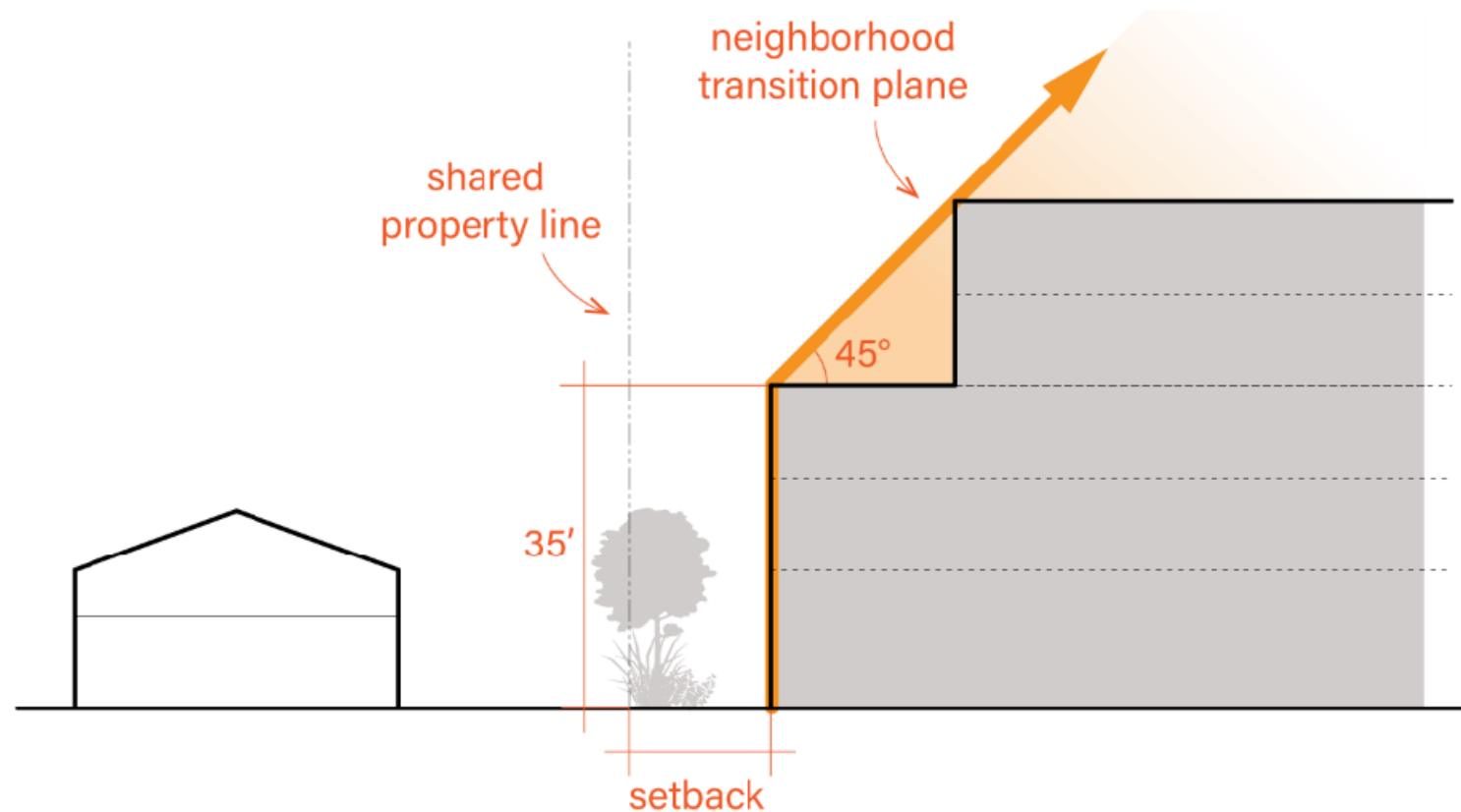
Objective Standard Examples

Figure 4: New Public Connections



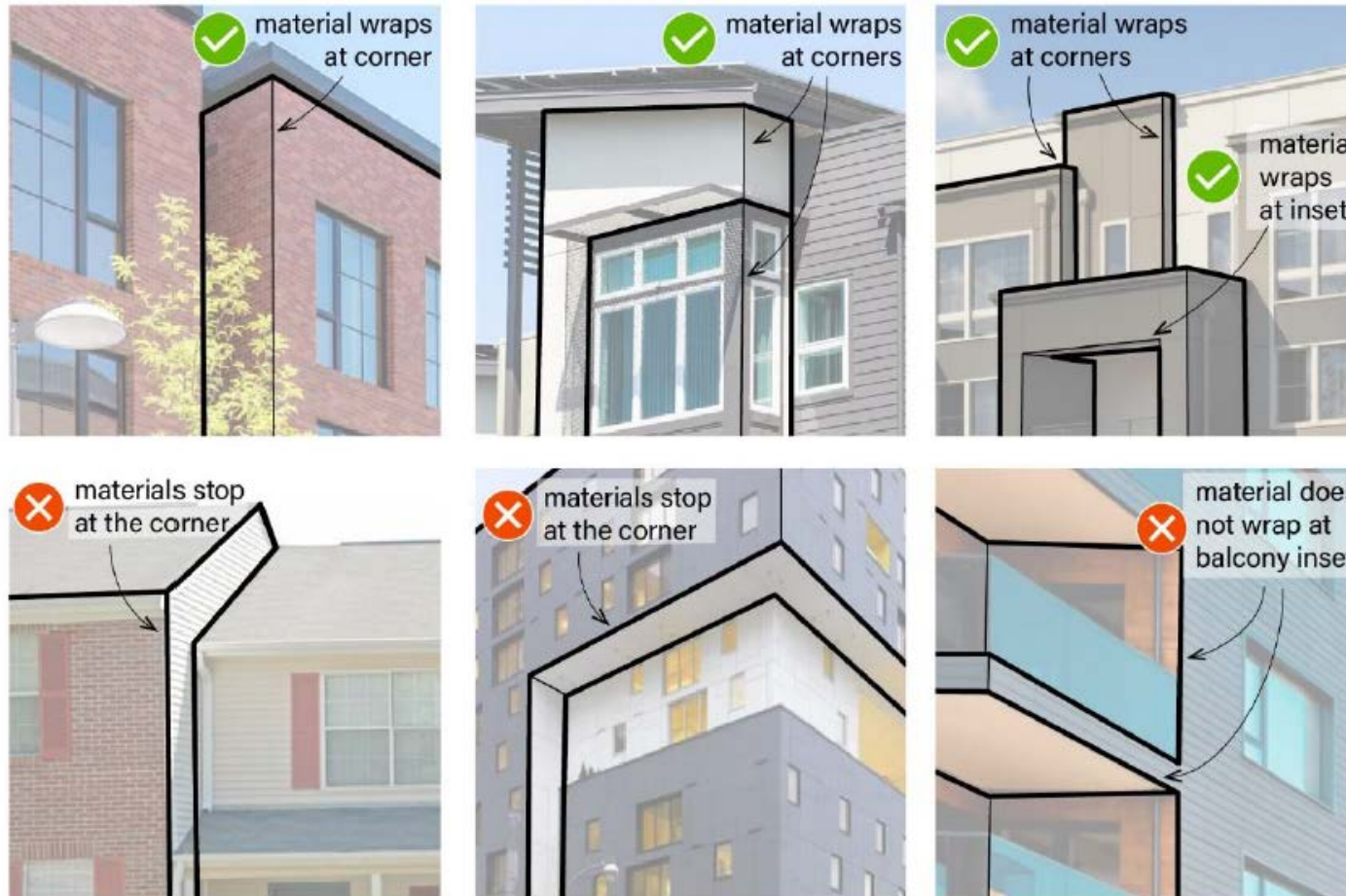
Objective Standard Examples

Figure 7: Neighborhood Transition Plane



Objective Standard Examples

Figure 19: Material Application





Objective Standard Examples

24.12.185.16 Building Materials

Goal: *To ensure that building materials are high-quality, durable, convey a sense of permanence, and reflect the existing character of buildings in the urban environment.*

- a. Building materials shall be selected according to the following criteria:
 - i. The following materials are acceptable for use on building faces: **tile, brick, glass, metal (except as prohibited below), painted or sealed wood, concrete, stucco, plaster, adobe, and stone (engineered or natural), and living walls (as defined)**.
 - ii. Unarticulated or flat panelized materials (such as metal, cement board, or GFRC panels) are prohibited on public frontages but may be incorporated on other building faces. Panels for modular and pre-fabricated construction are allowed (including sandwich panels).
 - iii. Any materials that are not explicitly listed here require an administrative design review permit to ensure that approved materials conform to the goal of this section.



Development Review/Public Hearings

Current

- Community Outreach notice and meetings
- Public Hearings for:
 - Some Commercial Development
 - Density Bonus
 - Planned Development Permit
 - Variance
 - Coastal Permit
 - Subdivisions
 - Proximity to Slope
 - Residential in Commercial zones
- Right of Appeal
- CEQA Review

Proposed

- Community Outreach notice and meetings
- Public Hearings for:
 - Some Commercial Development
 - Density Bonus
 - Planned Development Permit
 - Variance
 - Coastal Permit
 - Subdivisions
 - Proximity to Slope
 - Alternative designs for Residential
- Right of Appeal
- CEQA Review



Public Hearing Policy Choices:

Option 1: No Hearings for Conforming Projects

- Administrative Review
 - Fully Conforming rental multifamily (already in R-L and R-M)
 - Findings Required
- Cannot reduce housing intensity
- Incentive to conform

Option 2: Hearings for Conforming Projects

- Hearing at Zoning Administrator
 - 0-5 variations from design standards
 - Findings Required
- Cannot reduce housing intensity



Public Hearing Policy Choices:

Option 3: Hearings based on size of project

- Administrative Review for ≤ 50 unit projects
 - Fully Conforming rental multifamily
 - Findings Required
- Hearing at ZA for:
 - 51+ units
 - 1-5 variations from design standards
 - Findings Required
- Cannot reduce housing intensity
- Incentive for ≤ 50 units to conform



Questions on Public Hearings

1. If public hearings are for conforming development that also includes other permits/allowances like Density Bonus, under what circumstances would a density bonus allowance/waiver be denied if a project meets objective standards?
2. Why would one of your alternatives be public hearings for conforming development if that doesn't affect most projects? Isn't that adding a step to an already lengthy process?
3. How are you able to add public hearings for conforming development if they are also eligible for streamlined processes outlined in law?

Responses

First, a Public Hearing is NOT a community meeting – it is a formal hearing. Most development applications that require a hearing are reviewed by the Zoning Administrator.

1. Density Bonus applications exceed the City's Zoning Code; they are not conforming and require a public hearing. They cannot be denied, but they are subject to CEQA.
2. Most development applications will need a hearing even under the streamlined proposal, because the project will include something else that triggers a hearing. The Council might still prefer to provide a hearing opportunity to neighbors even for small conforming rental development. It's a policy choice.
3. State law will supersede where necessary. Unless a state law requires streamline, most development is still discretionary and subject to CEQA. We are not required to streamline all housing development at this time.



Environmental Review

- Reflecting 2030 General Plan
 - Covered by existing EIR
- Sheds/Fences/Play Structures exempt under common sense exemption

Sidewalk Width/Trees



- No Change



- Wide sidewalks required
 - More Street Trees
- Processes for conflicts
 - Existing Trees/Fire Hydrants/Driveways/Utility Poles
 - Only applies to project frontage



Why increase commercial heights?

- The justification I believe that you presented for increasing the height limit in Community Commercial zones in some cases (from 40 to 45 feet) is to encourage more than ground floor commercial. This could mean that each floor could be 15 feet tall. Since, generally office floors are only about 10 feet tall; what commercial uses are being envisioned above the ground floor that require such heights? Have there been any examples in Santa Cruz where the 40 foot height limit was not sufficient to accommodate a 3 story commercial building?*

Modern Retail and Restaurant Ceiling heights are frequently greater than 15 feet – up to 25’ in some cases – and modern office heights are closer to 12’ rather than 10’. A 20’ ground floor and two 12’ office floors above would reach 44’. There haven’t been local examples of this yet due to the current low demand for commercial real estate.

Allowing slightly higher heights would also make it easier to build pitched roofs on mixed use buildings, while 40’ makes flat roofs more likely.



How do we ensure our Housing Element is certified by HCD?

- The City Housing Element Update is due to HCD December of 2023.
- The project has started and a survey is open on the project website: cityofsantacruz.com/housingelement
- Housing Elements around the state have faced challenges achieving certification during this cycle.
- The City needs to accommodate over 3,700 new dwelling units across the 8-year period between January 2024 and December 2031.

While there's no way to ensure that the Housing Element will be certified in advance, we work with HCD throughout the process to do our best to meet their expectations. We also expect to submit a draft to HCD 6 months before it is due. They have 90 days to respond with comments. We have scheduled time for a second review by HCD (they have 60 days to respond to subsequent draft submittals). Finally, there is a 180 day period after our submittal before the document must be certified and we can respond to any additional comments during that period. We fully anticipate having our Housing Element certified on time.



More Housing Element Questions

1. What are the consequences of not submitting a compliant housing element on time?
2. What can people do to ensure that sites are likely to be determined as valid by HCD?

Responses

1. If we don't have a certified Housing Element we are subject to SB35 and have to accept all projects with a minimum of 10% affordable units that meet the City's objective standards.
 - If we need to rezone properties and don't certify in time we will only have one year to do those rezones rather than three years.
2. The City may need to demonstrate that sites are buildable, and also show that more than enough land is ready for housing. That's why this project and the Downtown Plan Expansion are important. They help demonstrate those features.



How can we ensure the City earns the Prohousing Designation?

How can we ensure the city earns the prohousing designation that elevates our chances of state grants and funds?

- Staff believes Santa Cruz could be eligible to be awarded the prohousing designation with current policies. However, the application will take time and requires a resolution to be passed by City Council.
- Staff will need Council direction to pursue this work. Any one interested in the designation should let the City Council know that this should be part of a future workplan.



Questions Asked Live:

1. Are the neighborhood transition planes (Figure 7) required for development when the residential homes are located across a residential street or narrow alley? Or do the planes only apply when the residential homes are immediately adjacent to the new development (e.g., not separated by a residential street or narrow alley)?
2. Is the City considering performance zoning for the future?
3. While the General Plan proposed 55 units per acre, before the Objective Standards were approved the FDU designation was created and it provides unlimited density. Therefore, why not create 3 story height so that the baseline would address the additional density impact?
4. The Test-Fit analysis showed that 4-stories were needed to reach the 2.75 FAR for a large site, yet you are recommending 5.

Responses, delivered Live:

1. The proposed transition plane would only apply at property lines. Adding a standard for streetside or alley transitions is something we could study as part of a future update.
2. Not at this time, but that's an interesting idea.
3. The General Plan identifies several types of small units that do not count toward the density limits in the GP, and Flexible Density Units are one of those types of units (FDUs replace the previous regulations for Small Ownership Units (SOUs)). The Municipal Code has for many years had no regulation for the density of residential development that is part of a mixed-use project in the Community Commercial Zone. A 3-story height limit would not address the GP-allowed 2.75 Floor Area Ratio, and the GP EIR included analysis of unit types that are not limited by density.
4. Yes, 5 stories were necessary to meet the 2.75 FAR on the smaller site we studied, and the zone district can only set one height limit for all the parcels in the zone. 5 stories also ensures that the neighborhood transition plane can be applied to most sites where it may be needed.