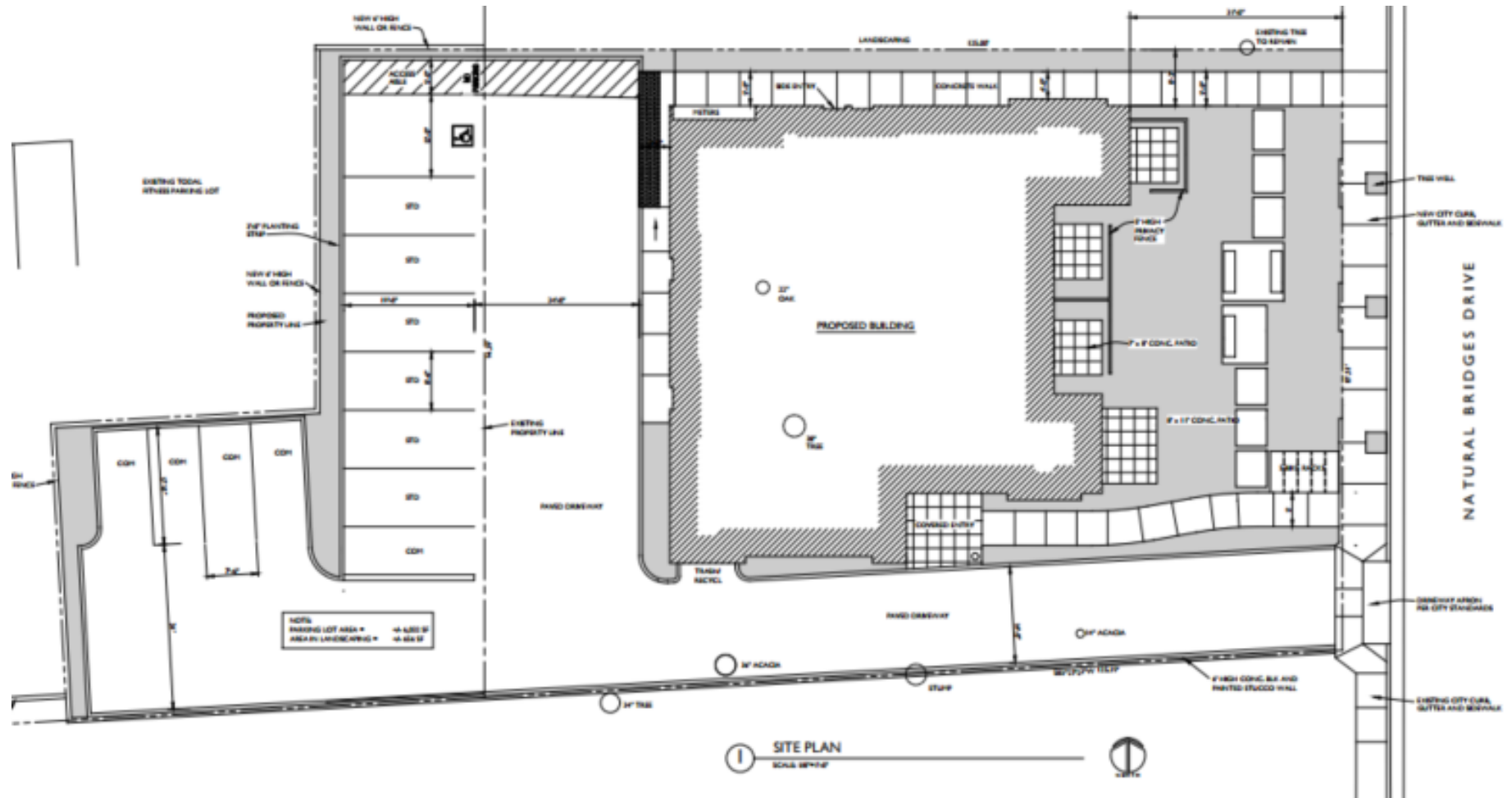


Attachment 1: Project Location



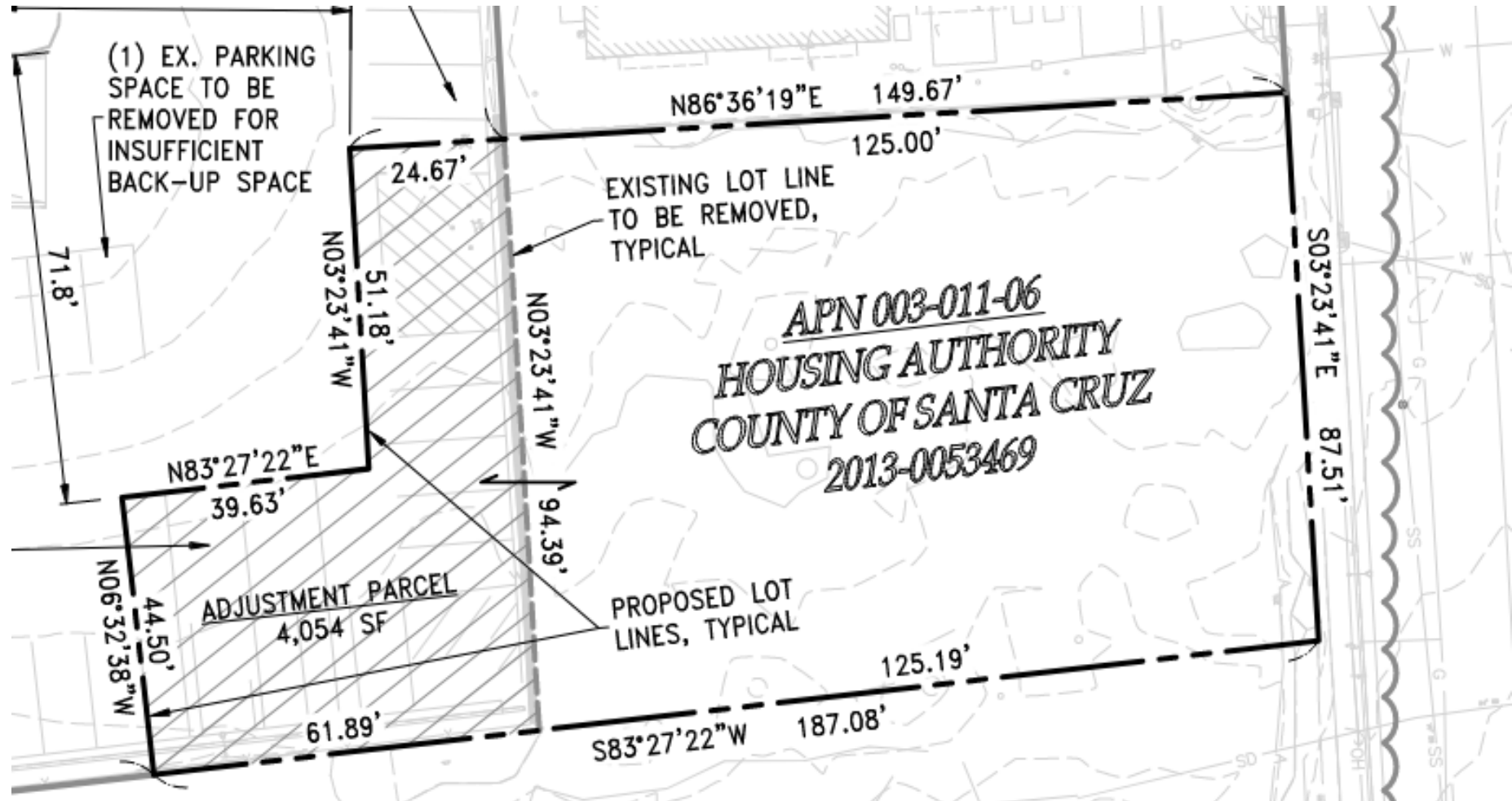
Source: Adapted from Patricia Paramoure Archaeological Consulting 2021

Attachment 2: Project Location



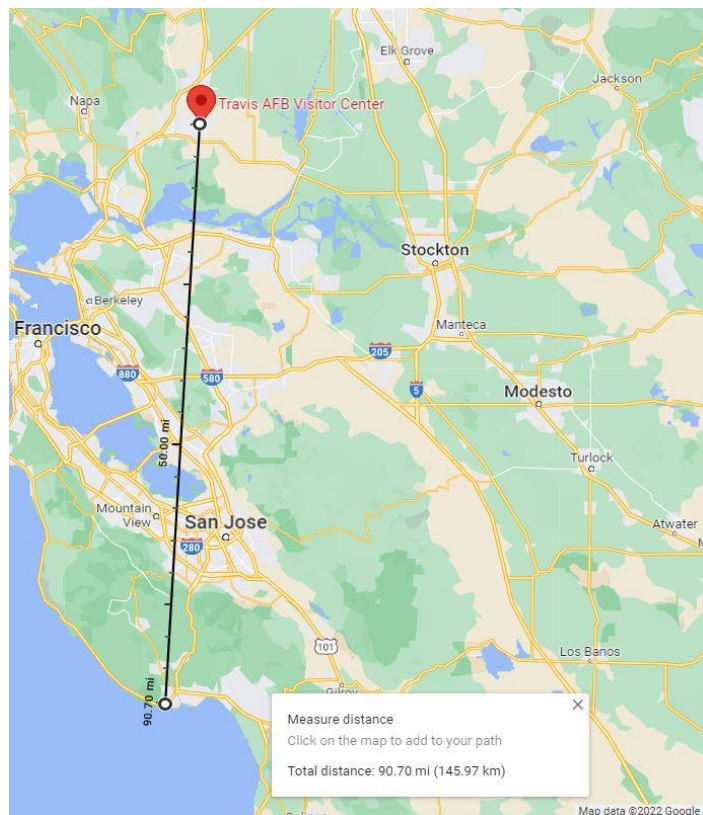
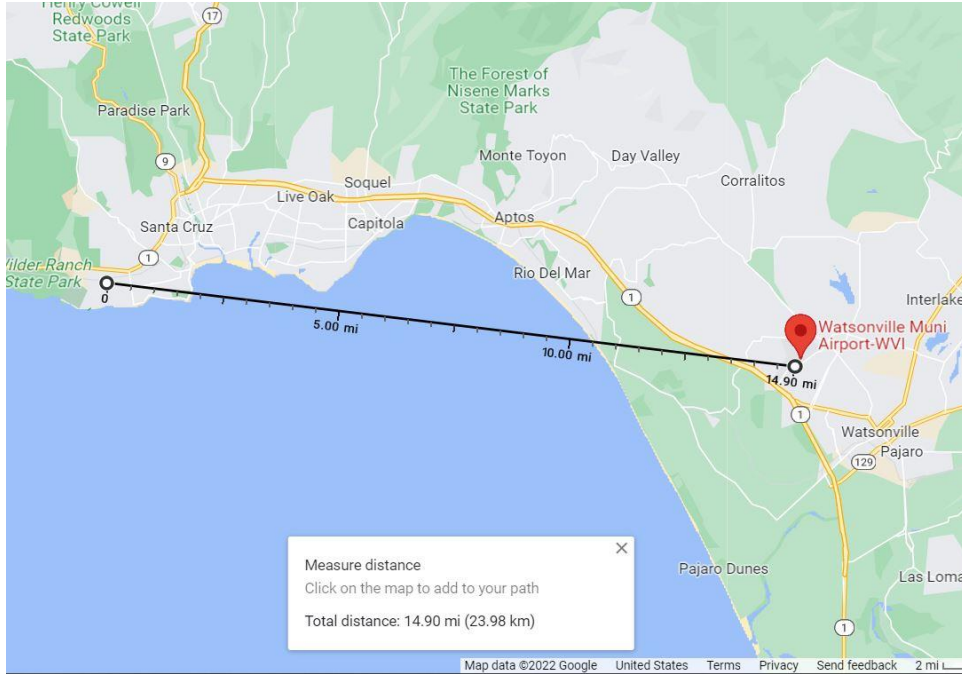
Source: Adapted from Thacher and Thompson Architects 2021.

Attachment 3: Proposed Lot Line Adjustment



Source: Adapted from Ifland Engineers 2021.

Attachment 4: Distance to Watsonville Airport and Travis Air Force Base





July 29, 2022

 CBRS Buffer Zone
  System Unit

CBRS Units

 Otherwise Protected Area

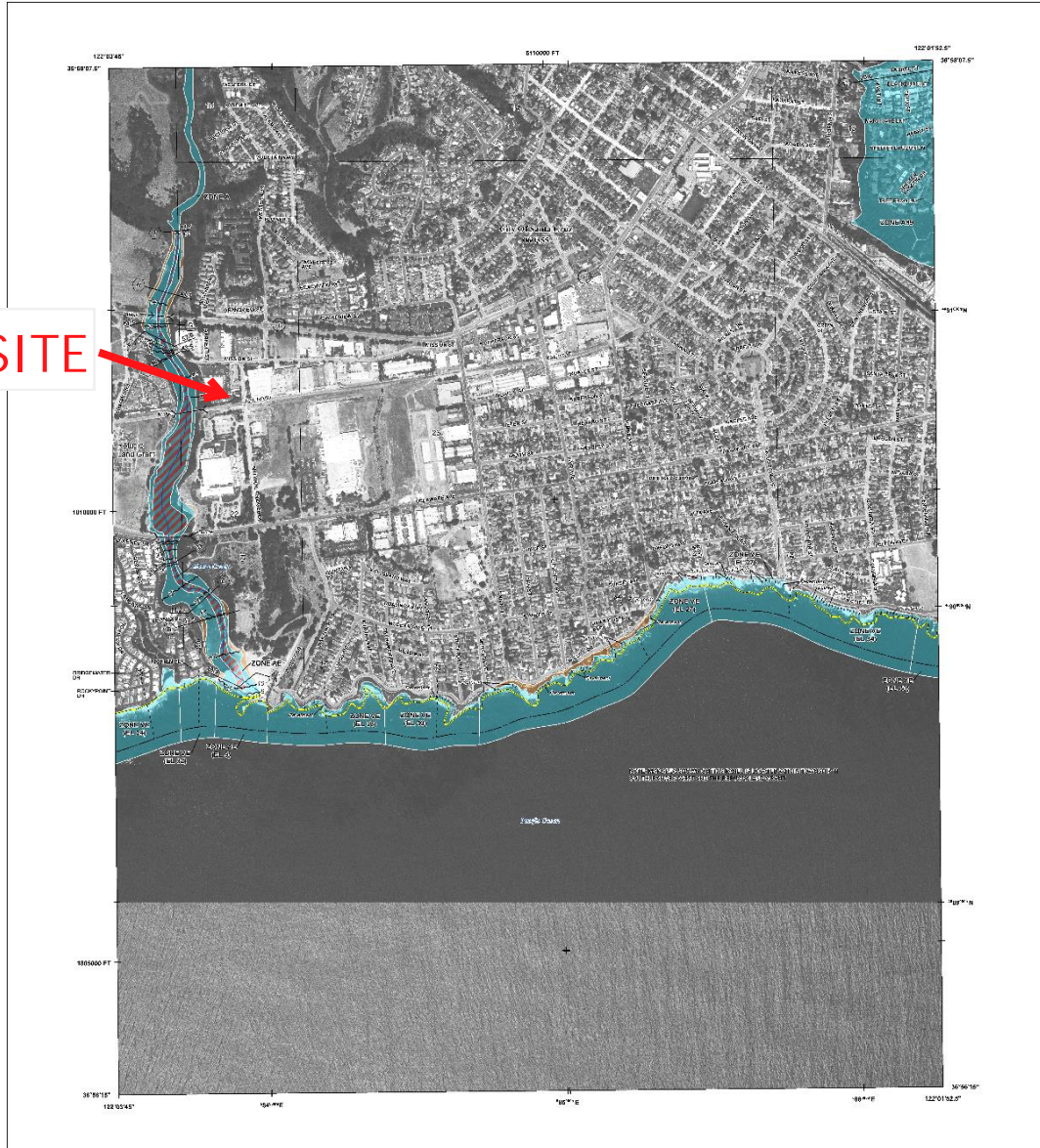
This map is for general reference only. The Coastal Barrier Resources System (CBRS) boundaries depicted on this map are representations of the controlling CBRS boundaries, which are shown on the official maps, accessible at <https://www.fws.gov/cbra/maps/index.html>. All CBRS related data should be used in accordance with the layer metadata found on the CBRS Mapper website.

The CBRS Buffer Zone represents the area immediately adjacent to the CBRS boundary where users are advised to contact the Service for an official determination (<http://www.fws.gov/cbra/Determinations.html>) as to whether the property or project site is located "in" or "out" of the CBRS.

CBRS Units normally extend seaward out to the 20- or 30-foot bathymetric contour (depending on the location of the unit). The true seaward extent of the units is not shown in the CBRS mapper.

Attachment 6: FEMA FIRM Flood Zone Panel

PROJECT SITE



FLOOD HAZARD INFORMATION

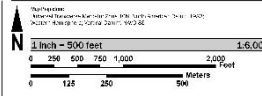
SFF FIRM REPORT FOR FIRM ID 17070 AND 17076 MAP FOR PANEL 4701
 THE INFORMATION DEPICTED ON THIS MAP AND SUPPORTING DOCUMENTATION ARE ALSO AVAILABLE IN DIGITAL FORMAT AT [HTTP://MSC.FEMA.GOV](http://msc.fema.gov)

	Without Base Flood Elevation (BFE) Zone X, Zone AE, AO, AH, VE, AR Regulatory Floodway
	0.2% Annual Chance Flood Hazard, Areas of 1% Annual Chance Flood with average depth less than one foot or with drainage areas of less than one acre, Zone X
	Future Constitutes 1% Annual Chance Flood Hazard, Zone X
	Area with Reduced Flood Risk due to Levee Sea Rise, Zone X
	Area of Minimal Flood Hazard, Zone X
	Area of Underestimated Flood Hazard, Zone D
	Channel, Culvert or Stream Score
	Accreted or Provisional by Accreted Levee, Dike or Floodwall
	Non-accreted Levee, Dike or Floodwall
	Cross Sections with 1% Annual Chance Water Surface Elevation (BFE)
	Cross Sections with 1% Annual Chance Water Surface Elevation (BFE)
	Classical Transport
	Classical Transport
	Profile Bandwidth
	Hydrographic Features
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary

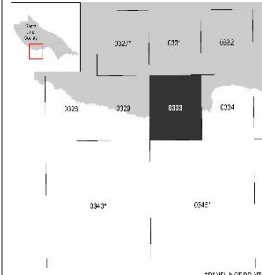
NOTES TO USERS

Information on this map was derived from the Flood Insurance Rate Map (FIRM) for the area shown. The FIRM is a map of the United States that shows the areas that are subject to flooding. The FIRM is used to determine the flood insurance rates for properties in the area. The FIRM is updated periodically to reflect changes in the flood risk. The FIRM is a public domain product of the Federal Emergency Management Agency (FEMA). The FIRM is available in digital format at <http://msc.fema.gov>. The FIRM is a public domain product of the Federal Emergency Management Agency (FEMA). The FIRM is available in digital format at <http://msc.fema.gov>.

SCALE



PANEL LOCATOR



FEMA
 National Flood Insurance Program

NATIONAL FLOOD INSURANCE PROGRAM
 FLOOD INSURANCE RATE MAP
 SANTA CRUZ COUNTY, CALIFORNIA
 SAN JOAQUIN PACIFIC
 PANEL 333 OF 470

FEMA

Panel Coordinates:
 CORNER: 333-0000
 CENTER: 333-0000

NUMBER: 3333
 PANEL: 3333
 SUFFIX: F

VERSION NUMBER: 2.3.2.0
 MAP NUMBER: 06687C0333F
 MAP DATE: 09/29/2017



**PLANNING COMMISSION
AGENDA REPORT**

AGENDA OF: March 17, 2022

DATE: March 11, 2022

ITEM NO: **CP21-0059**

415 Natural Bridges Drive

RECOMMENDATION: That the Planning Commission recommend approval of the Planned Development Permit, Design Permit, Coastal Permit, and Lot Line Adjustment to City Council based on the environmental determination, findings listed below, and the Conditions of Approval listed in Exhibit "A".

PROJECT DATA

APN: 003-011-06, 003-011-10

Property Owner: Housing Authority of Santa Cruz County
Project Applicant: Tom Thacher

Application Type: Lot Line Adjustment, Planned Development Permit, Design Permit, and Coastal Permit to transfer 4,054 square feet of land to/ from APN 003-011-10 and construct a 100% affordable, 20 unit SRO (Single Room Occupancy) project with a variation to allowed uses to allow an SRO use and variations to development standards for building height, side yard setback, and number of required parking spaces on a vacant lot in the R-L/CZ-O/SP-O (Multiple Residence - Low-Density/Coastal Zone Overlay/Shoreline Protection Overlay) zone district. This project involves the removal of four Heritage trees.

Zoning: R-L (Multi-Family Residential, Low Density), CZ-O (Coastal Zone Overlay), SP-O (Shoreline Protection Overlay)

Project Consistency: Consistent with the above listed zone districts with approval of Planned Development Permit

General Plan: L-M (Low-Medium Density Residential)

Project Consistency: Consistent with the general plan designation

Land Use - existing: Vacant lot
- proposed: 20 unit SRO project
- surrounding: Railroad right of way, Toadal Fitness gym site, office and industrial

Lot Area: 12,153 square feet

Lot Dimensions: Approx. 90 feet x 125 feet

Coastal Review: Coastal Permit Required

Environmental Review: Exempt from CEQA pursuant to CEQA code section 21083.3

Planning Staff: Clara Stanger

AGENDA REPORT

Planning Commission Meeting of March 17, 2022

SUBJECT: **415 Natural Bridges Dr. – Project No. CP21-0059**

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PROJECT DESCRIPTION & HISTORY

The project site is a vacant lot located on the west side of Natural Bridges Drive just north of the railroad tracks. The site was originally developed in 1939 when a house was moved to the site from a different location. In 2015, the house was determined to be a nuisance and was demolished. The site is now in an undeveloped state and has several Heritage sized trees. The surrounding area includes the railroad right of way to the south, the Toadal Fitness gym site to the west, and office and industrial uses to the north and east. The site is unique in that it is zoned for low-density multi-family residential uses but is surrounded by commercial and industrial uses.

The applicant proposes to develop the site with a residential building containing 20 Single Room Occupancy (SRO) units, 100 percent of which will be rented at an affordable, very low income level. The lot will be expanded to the west via a Lot Line Adjustment with the adjacent parcel in order to incorporate additional parking onto the site. The applicant has requested approval of a Planned Development Permit in order to allow:

- the SRO use,
- the proposed building to vary from setback and height standards,
- reduced parking, and
- a portion of the on-site parking to have a Public Facilities zoning designation.

Because the project is requesting a Planned Development Permit, the project must include a hearing by the Planning Commission, who will make a recommendation to City Council for the final decision. A project with a Planned Development Permit also requires approval of a Design Permit; the Design Permit is also required as the project involves construction of more than two units. The site is also located in the Coastal Zone and a Coastal Permit is required. Because the site is located in the Shoreline Protection Overlay Zone District, additional findings regarding any present coastal resources must be made.

ANALYSIS*General Plan Consistency*

The proposal is consistent with the general plan's Neighborhood Integrity and Housing guiding principle, which calls for the City to actively pursue affordable housing while promoting livability and a high quality in building design. The project is also consistent with several general plan policies that promote affordable housing, infill development, and collaboration with nonprofit organizations. These policies include:

- LU3.1.1 Encourage through incentives and expedited permit processing a variety of housing types, when appropriate.
- LU3.8 Allow [SRO] residential uses to exceed the maximum densities in this chapter: Cf. LU1.3 and 3.7.1.
- Housing Element Policy 2.2 Facilitate the development of affordable housing through the provision of regulatory concessions, financial incentives and assistance, density bonuses, and other means. Policy 2.3

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SUBJECT: **415 Natural Bridges Dr. – Project No. CP21-0059**

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- Housing Element Policy 2.3 Collaborate with nonprofit organizations, private developers, employers, special needs groups, state and federal agencies, and other interested parties to develop affordable housing.
- Housing Element Policy 2.7 Encourage more fully integrated neighborhoods through the development of mixed income and affordable infill housing and through the placement of other affordable housing projects in neighborhoods that do not already have high levels of low income housing
- Housing Element Policy 4.8 Support the development of a variety of housing types, specifically smaller units and single-room occupancy units that address the needs of extremely low income households.
- Housing Element Policy 5.3 Ensure that the character and design of both infill development and remodel/rehabilitation projects promote the vitality of existing neighborhoods.
- LU1.1 Relate residential, commercial, and industrial land use intensities to the capability and location of the land while ensuring optimum utilization of infill parcels.
- CC2.1.3 Facilitate efforts of private and nonprofit public service and facility providers.

The majority of the project area has a general plan land use designation of Low-Medium Density Residential, which accommodates a range of residential uses including single family dwellings, apartments, condominiums, and townhomes. The proposed SRO development fits within this range of uses. The small portion of the site being acquired from the adjacent Toadal Fitness gym site has a general plan land use designation of Community Facilities, which accommodates community uses such as government buildings, schools, community centers, and utilities. The site was designated as such in 1994 in order to accommodate school district offices. The school district has since moved on to a different location, and the purpose for which the land use designation change was made therefore no longer exists. The site was subsequently utilized for offices by the Housing Authority of Santa Cruz County. The current use is a Toadal Fitness gym, which was approved as it is similar in nature to a community recreational facility while not strictly falling within that category. In addition, the portion of the site to be transferred to the project site is currently a portion of the parking lot, and this piece of land will continue to be used for parking although for the SRO use and not for the Toadal Fitness gym use. Finally, the Toadal Fitness site will have a resulting size of 120,515 square feet, which is could comfortably accommodate a new Community Facilities use in the future should one be desired at that location. Given these circumstances, the entire project site can be considered consistent with the intent of the general plan land use designations.

The property is located in an area mapped as potentially sensitive for archaeological resources under the general plan. General plan policy HA1.2.2 requires a project within this mapped area to undergo an archaeological investigation that includes archival research and site reconnaissance. An archaeological report completed by Patricia Paramoure Archaeological Consulting on May 6, 2021 found a very low probability of encountering archaeological resources on the site. However, a standard condition of approval will require the applicant to stop work should soil-disturbing activities result in the discovery of an archaeological resource.

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Coastal resources

The project site is located in the Coastal Appeal area of the Coastal Zone Overlay zone district and the Shoreline Protection Overlay Zone District, which seek to ensure that development protects coastal resources and meets the policies of the Local Coastal Land Use Plan (LCP) and Local Coastal Implementation Program. Coastal resources that will or could be affected by the project include the heritage trees on the site, potential archaeological resources, and Moore Creek and Antonelli Pond west and southwest of the site. As discussed in the heritage tree section, the project is consistent with LCP policies CD 6.1.1 and CD 6.1.2, which require review of projects with heritage trees and replacement plantings at a two-to-one ratio. Policy CR 1.2.2 requires projects to evaluate the extent of on-site archaeological and paleontological resources through archival research, site surveys and necessary supplemental testing as part of the initial environmental assessment on each potentially significant site. The project has done this with an archaeological investigation as discussed above, and a standard condition will require the applicant to stop work in the event archaeological or paleontological resources are discovered. To protect the nearby biotic resources within Moore Creek and Antonelli Pond, the project is consistent with LCP policy EQ 3.1, which requires site design and erosion control measures in areas adjacent to stream and wetland areas. To comply with this policy, the project has been reviewed for consistency with the City's storm water and construction best management practice standards. The project is also consistent with LCP policies LU 1.4 and CR 1.2.2 which call on projects to utilize the environmental review process to ensure protection of natural resources, significant vegetation communities, wildlife habitats, archaeologically sensitive areas, scenic views and also mitigate and protect development from environmental hazards such as earthquakes.

Heritage Trees

The site has five Heritage trees, which are trees with a trunk diameter of at least 14 inches at 54 inches above grade. An arborist report completed by Maureen Hamb dated June 2021 inventoried the trees on the site and provided recommendations with regard to the project. The five Heritage trees include a 25 inch cedar, a 22 inch coast live oak, a 38 inch tulip, and two acacia trees at 14 and 15 inches. The Cedar is in good condition, and the report recommends retention and protection during construction. The other trees are in poor condition: the oak suffers from a beetle infestation and rot, and the tulip and acacia trees have thinning canopies and structural problems. In addition, these four trees are within the proposed building and driveway. For these reasons, the report recommends removal of these four trees. The City Arborist has reviewed the report and agrees with the recommendation. To meet Heritage tree removal standards as well as Coastal Policy CD6.1.2, replacement trees will be required at a ratio of either two 24-inch box trees or six 15 gallon trees for each tree to be removed. A condition of approval requires the replacement trees species and location to be approved by the City Arborist.

Planned Development

The Planned Development Permit allows a project to vary from uses and development standards when a comparable level of community benefit is proposed. The applicant is offering as a community benefit a 100 percent affordable housing project with rental units being offered at the very low income level, or 50 percent Area Median Income (AMI). A condition of approval requires the Housing Authority to enter into an affordable housing agreement to memorialize the affordability protections on the units in perpetuity.

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In exchange, this project is requesting the following variations to uses and development standards:

- A use variation to allow the SRO use in R-L zoning. The R-L zone district allows various types of multi-family housing such as apartments, townhomes, and condominiums, although at a lower density than would be offered by the SRO project. While SROs are generally excluded from the R-L zone district in order to preserve lower density housing, in this case the lot is spot-zoned R-L in an area zoned for industrial and public facility uses, and there is not an immediately surrounding residential neighborhood that would be impacted by the SRO development.
- A use variation to allow the rear portion of the site, zoned PF, to allow parking. This is the portion of the Toadal Fitness site that is being transferred to the SRO site. While neither parking nor SROs are listed as an allowable use in the PF zone district, this portion of the site is already being used as parking for the Toadal Fitness gym, and there is no change in the use.
- A reduction in the northern side yard setback from 12 feet to seven feet two inches. Because the Fire Department is requiring a minimum 14 foot wide driveway on the south side for fire access, it is not possible to move the building further to the south. The adjacent property to the north is an office building, so the reduced setback will not pose any privacy concerns that may have arisen in a residential neighborhood.
- An increase in the allowed height from 30 feet to 36 feet. The applicant has indicated that the increased building height will allow for a larger floor to ceiling heights within the units that will make the units more livable. In addition, the increased height will allow for articulation along the roofline to create an aesthetically pleasing architectural design.
- A reduction in required parking from 20 spaces to 12. The Public Works department has reviewed this aspect of the design and does not have any concerns with potential effects on street parking in the area.

Design

The proposal meets Design Permit requirements for a balanced and harmonious design that is compatible with the surrounding area. The site plan places ample landscaping at the front and parking, trash room, and utility meters at the rear of the site, creating a visually pleasing view from the street. The proposed building has well-articulated walls and roofline, especially on the elevations facing Natural Bridges Drive and the railroad right of way. The mix of stucco and vertical siding provides quality exterior materials that add further interest. Details such as metal balcony railings, sheet metal coping, and slightly curved parapet roofline features complete a detailed design that blends in well with the surrounding area. The three story building, while exceeding the zone district height development standard, still has a similar scale to the larger, mostly two-story commercial buildings in the surrounding area.

Zoning ordinance site development standards

The project must meet several site development standards in the zoning ordinance, including those for the R-L zone district, parking standards, and specific standards for SRO developments. The chart below shows the project's consistency with the development standards:

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RL zone district standards, section 24.12.450

Standard	Required	Proposed
Height	30' max	36'*
Lot area	5,500 sq. ft. min.	15,332 sq. ft.
Front yard setback	15' or 10' for 50% with 15' average	31'
Rear yard setback	10' min.	51'
Side yard setback (north)	5' or 1':3' = 12'	7'2" *
Side yard setback (south)	5' or 1':3' = 12'	15'10"

*Variation requested as part of Planned Development Permit

Parking Standards, section 24.12.200 et seq.

Standard	Required	Proposed
Number of spaces	20	12*
Number of compact spaces	Up to 50% of total provided (6 max.)	5
EV charging stations	12% of total provided, (1 space)	1
Bicycle parking: Class 1	1 space per unit (20 total)	20
Bicycle parking: Class 2	1 space per 4 units (5 total)	5
Parking area in landscaping	10% min. (535 square feet)	493**
Driveway width	12' min.	14'

*Variation requested as part of Planned Development Permit

**A condition of approval to require low growing plantings along the top of the four western most parking spaces will add 64 square feet of landscaping and bring the project into conformance with this standard.

SRO development standards, section 24.12.1000 et seq.

Standard	Required	Proposed
Unit size	150-400 sq. ft.	251-380 sq. ft.
Ave unit size	345 sq. ft. max	339.5 sq. ft.
Full bath and kitchen	Any units 220 sq. ft. or more	Each has full bath and kitchen
Closet	1 per unit min.	Each has a closet
Common outdoor space	200 sq. ft., 8' min width	2,450 sq. ft. common space in front yard plus 400 sq. ft. on north side
Common indoor space	200 sq. ft., not counting maintenance areas, laundry facilities, storage (including bicycle storage), and common hallways	311 sq. ft. common area room
Laundry facility	2 washers, 2 dryers	2 washers, 2 dryers
Common bathroom	On floor if any unit does not have full bath	n/a, all units have full bath
Common kitchen	On floor if any unit does not	n/a, all units have full kitchen

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	have full kitchen	
Storage space	1 per unit	20 (1 per unit) plus 6 more
Bicycle storage	1 per unit	20 in storage spaces
Manager’s unit	1	1

In addition, the SRO project must have a management plan that contains management policies, maintenance plans, rental procedures, tenant rules, and security procedures. The applicant has submitted a draft management plan that addresses these topics. A condition of approval requires a finalized management plan to be approved prior to building permit issuance.

Environmental Review

Public Resources Code Section 21083.3 allows a lead agency to avoid repeating analyses that were already provided in a certified general plan EIR for a development project that is consistent with the general plan. Public Resources Code section 21083.3 and its parallel CEQA Guidelines provision, section 15183, provide for streamlined environmental review for projects consistent with the general plan for which an EIR was certified. Subsection (d) further indicates that an effect of a project upon the environment shall not be considered “peculiar to the parcel or to the project...if uniformly applied development policies or standards” have been previously adopted by the city or county, with a finding based upon substantial evidence, that the development policies or standards will substantially mitigate that environmental effect when applied to future projects, unless substantial new information shows that the policies or standards would not substantially mitigate the environmental effect. Under these provisions of CEQA, the project has been found to be consistent with the general plan, its certified EIR, and uniformly applied standards in the Santa Cruz Municipal Code and is therefore exempt from further CEQA analyses.

Community outreach

The project is considered a medium sized development project requiring community outreach under the Department of Planning & Community Development Community Outreach Policy for Planning Projects. The project applicant hosted a virtual community meeting was held on June 28, 2021 after pre-application review and prior to formal application submittal. The meeting was duly noticed via on-site posting as well as postcard mailings to properties within a 500 foot radius of the project parcel. In addition to applicant and City staff representatives, eight individuals from the community attended the meeting. Five attendees provided feedback, and they all expressed support for the project. Comments included support for the building design and for reduced parking, support for affordable housing at this location, and support for the site’s location next to the future rail trail.

Regarding the Potential for ADU’s

Like all multi-family property in the state, this project is entitled to create ADUs in addition to the units proposed as a ministerial action. Up to 25% of the total number of units (for this project, a total of five) can potentially be created by converting non-livable space, and up to two New Construction ADUs can also potentially be built – either attached to or detached from the proposed structure.

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Health in all Policies (HiAP)

HiAP is a collaborative approach to improving the health of all people by incorporating health considerations into decision-making across sectors and policy areas. HiAP is based on 3 pillars: equity, public health, and sustainability. The goal of HiAP is to ensure that all decision-makers are informed about the health, equity, and sustainability impacts of various policy options during the policy development process. The project supports the pillar of equity by providing rental units affordable to those with very low income levels that otherwise would not be able to afford market rate housing. The development is on a site that is improved with sidewalks and street trees and that is in close proximity to public transportation, commercial goods and services, and recreational areas. The development of residences in this central location and adjacent to the potential future rail trail along the adjacent railway line encourages a sustainable and healthy lifestyle by promoting alternative forms of transportation. Therefore, the project is considered to be consistent with the three pillars of the HiAP and is recommended as an efficient use of the land.

SUMMARY

The project meets all the required site area standards, and the findings for approval of the Coastal Permit and Design Permit are attached. The proposed Planned Development provides affordable housing within a livable, aesthetically pleasing development that balances the requests for variations to the use and to site development standards. Staff recommends approval based on the Findings listed below and the Conditions of Approval in the attached Exhibit A.

FINDINGS**Lot Line Adjustment, Section 23.12.030.1p**

- 1. The lot line adjustment does not create a greater number of parcels than originally existed.**

The lot line adjustment results in two parcels, which is the same number of parcels originally existing before the lot line adjustment.

- 2. The parcels resulting from the lot line adjustment conform to Title 24 of the City of Santa Cruz Municipal Code and to the California Building Codes.**

The parcels resulting from the lot line adjustment conform to the zoning ordinance in terms of lot size, lot width, street frontage, building setbacks. The lot line adjustment has been reviewed by the Building division and confirmed to meet California Building Codes.

Coastal Permit, Section 24.08.250

- 3. The hearing body must find that the development is consistent with the General Plan, the Local Coastal Land Use Plan and the Local Coastal Implementation Program;**

The project is consistent with several general plan policies that call for affordable housing (LU3.1.1, LU3.8, Housing Element Policy 2.2, Housing Element Policy 2.3, Housing

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Element Policy 2.7, Housing Element Policy 4.8 promote partnering with nonprofits (Housing Element Policy 2.3, CC2.1.3) and promote infill development (Housing Element Policy 2.7, Housing Element Policy 5.3, LUI.1).

The majority of the project area has a general plan land use designation of Low-Medium Density Residential, which accommodates a range of residential uses including single family dwellings, apartments, condominiums, and townhomes. The proposed SRO development fits within this range of uses. The small portion of the site being acquired from the adjacent Toadal Fitness gym site has a general plan land use designation of Community Facilities, which accommodates community uses such as government buildings, schools, community centers, and utilities. The site was designated as such in 1994 in order to accommodate school district offices. The school district has since moved on to a different location, and the purpose for which the land use designation change was made therefore no longer exists. The site was subsequently utilized for offices by the Housing Authority of Santa Cruz County. The current use is a Toadal Fitness gym, which was approved as it is similar in nature to a community recreational facility while not strictly falling within that category. In addition, the portion of the site to be transferred to the project site is currently a portion of the parking lot, and this piece of land will continue to be used for parking although for the SRO use and not for the Toadal Fitness gym use. Finally, the Toadal Fitness site will have a resulting size of 120,515 square feet, which could comfortably accommodate a new Community Facilities use in the future should one be desired at that location. Therefore, the project site is consistent with the intent of the general plan land use designations.

The property is located in an area mapped as potentially sensitive for archaeological resources under the general plan. General plan policy HA1.2.2 requires a project within this mapped area to undergo an archaeological investigation that includes archival research and site reconnaissance. An archaeological report completed by Patricia Paramoure Archaeological Consulting on May 6, 2021 found a very low probability of encountering archaeological resources on the site. However, a standard condition of approval will require the applicant to stop work should soil-disturbing activities result in the discovery of an archaeological resource.

The project is consistent with LCP policies to protect heritage trees (CD 6.1.1 and CD 6.1.2), protect archaeological resources (CR 1.2.2), protect nearby streams and wetlands from erosion (EQ 3.1) and to utilize the environmental review process to ensure protection of other environmental resources (LU 1.4 and CR 1.2.2).

4. Maintain views between the sea and the first public roadway parallel to the sea;

The site is located on the inland side of Delaware Avenue, which is the first public road parallel to the sea, and therefore will not obstruct any views between the road and the sea.

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5. Protect vegetation, natural habitats and natural resources consistent with the Local Coastal Land Use Plan;

The proposed development involves removal of four of the five heritage trees on site. The project will retain a 25 inch cedar tree, which is in the best condition of the existing trees. Coastal policy CD 6.1.1 requires the city to review plans with respect to Heritage trees and provide technical assistance to owners. Consistent with this policy, the City Urban Forester has reviewed the plans and concurs with the arborist report submitted for the project recommending removal of the four trees. Since the trees are located in the Coastal Zone, replacement trees are required at a two-to-one ratio per coastal policy CD6.1.2. A condition of approval requires replacement trees at a ratio of two 24-inch box trees or six 15 gallon trees per tree removed, or payment of a comparable in-lieu fee, to meet replacement requirements under the Heritage Tree Ordinance as well as under the Local Coastal Program. The project is not located within an area mapped as sensitive for habitats or other natural resource under the Local Coastal Land Use Plan. However, a condition of approval will require a nesting bird survey to be completed prior to heritage tree removal. The site is located approximately 400 feet to the east of Moore Creek and approximately the same distance northeast of Antonelli Pond. Coastal policy EQ 3.1 requires site design and erosion control measures in areas adjacent to stream and wetland areas. To comply with this policy, the project has been reviewed for consistency with the City's storm water and construction best management practice standards.

6. Be consistent with any applicable design plans and/or area plans incorporated into the Local Coastal Land Use Plan;

The site is not located within the focus area of any design or area plan; therefore, this finding does not apply.

7. Maintain public access to the coast along any coastline as set forth in the Local Coastal Land Use Plan;

The site is located over half a mile from the coastline, is inland of Delaware Avenue, and does not presently include any public access pathways to the coast; therefore, the proposed project will not affect existing public access to the coast. Further, the site is within walking distance of commercial goods, services, recreation and public transportation and the development will include one bicycle parking space per unit, therefore, the development will not impact public street parking in the vicinity of project site.

8. Be consistent with the Local Coastal Land Use Plan goal of providing visitor-serving needs as appropriate;

The site is designated for residential development and not for development for visitor-serving needs, and visitor-serving uses are not proposed; therefore, this finding does not apply.

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9. Be consistent with the Local Coastal Land Use Plan goal of encouraging coastal dependent uses as appropriate.

The project site is not located in an area designated for coastal dependent industries, and the project does not propose a coastal dependent use; therefore, this finding does not apply.

Shoreline Protection Overlay District Review Criteria, Section 24.10.2430**10. Protect trees and vegetation and sensitive wildlife habitat.**

The proposed development involves removal of four of the five heritage trees on site. The project will retain a 25 inch cedar tree, which is in the best condition of the existing trees. A condition of approval will require replacement trees at a ratio of two 24-inch box trees or six 15 gallon trees per tree removed, or payment of a comparable in-lieu fee, to meet replacement requirements under the Heritage Tree Ordinance as well as under the Local Coastal Program. The site will cause some shading on the adjacent building to the north but will not shade the majority of the site and does not shade any residential use.

The site is not mapped under the general plan or LCP for sensitive vegetation or wildlife habitat. A condition of approval will require protections for nesting birds that may be affected by the removal of heritage trees.

11. Be consistent with the following criteria for bluff or cliff development:

- a. The development is sited and designed to assure stability and structural integrity of its expected economic life span and minimize alterations to natural land forms.**

The project site does not include any coastal bluffs or cliffs; therefore, this finding does not apply.

- b. The development will not create or contribute significantly to problems of erosion or geologic instability on the site or on surrounding geologically hazardous areas.**

The site is not located on a cliff or bluff; therefore, this finding does not apply.

- c. The development minimizes alteration of cliffs, bluff tops, faces or bases, and will not interfere with sand movement.**

The project site is not located on a cliff, bluff top, face, or base, and is not located on the beach; therefore, this finding does not apply.

- d. The development which proposes use of retaining walls shall be allowed only to stabilize slopes. Sea walls at the toe of sea cliffs to check marine erosion**

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shall be allowed only where there is no less environmentally damaging alternative.

The proposed project does not include any retaining walls or sea walls; therefore, this finding does not apply.

- e. **The development within one hundred feet of any cliff or bluff line shall follow the recommendations of an approved geologic report by a registered geologist. The area where such a report is required may be increased where the issue of slope stability requires a greater distance from any cliff or bluff line.**

The proposed improvements are not within 100 feet of a cliff or bluff; therefore, this finding does not apply.

- 12. Provide maximum erosion protection, using accepted engineering practices and other methods and specifications set forth in this title.**

During construction, the project proposes and will be required to follow Best Management Practices with regard to erosion and storm water control.

- 13. Maintain public view corridors between the sea and the first public roadway parallel to the sea and maintain natural views of the coastline;**

The site is located inland from Delaware Avenue, the first public road parallel to the sea, and therefore will not obstruct any public views of the coastline.

- 14. Protect paleontological resources as prescribed in the Land Use Plan;**

A condition of approval requires the applicant to stop work and contact the proper authorities should any earth-disturbing work result in the discovery of a paleontological resource.

- 15. Protect and enhance free public access to or along the beach, and sign such access when necessary;**

The site does not provide access to the beach, and is located inland from Delaware Avenue, the first road parallel to the beach; therefore, this finding does not apply.

- 16. Include mitigation measures prescribed in any applicable environmental document;**

The project is utilizing Public Resources Code section 21083.3. The project is consistent with all standard measures to protect environmental resources required under the general plan and zoning ordinance.

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17. Be compatible with the established physical scale of the area;

The three story, 10,519 square foot building is compatible with the physical scale of the area, which includes large, mostly two story industrial and commercial buildings.

18. Be consistent with the design review guidelines of this title and the policies of any applicable area plan;

The site meets the findings for a Design Permit in that the site plan places ample landscaping at the front and parking, trash room, and utility meters at the rear of the site, creating a visually pleasing view from the street; the proposed building has well-articulated walls and roofline, especially on the elevations facing Natural Bridges Drive and the railroad right of way; the mix of stucco and vertical siding provides quality exterior materials that add further interest; details such as metal balcony railings, sheet metal coping, and slightly curved parapet roofline features complete a detailed design that blends in well with the surrounding area; the proposed building would not block any significant public views identified in the general plan; the building does not create any privacy issues for adjacent properties; and the building does not cast shade on any residential uses. The site is not within the focus area of any area plan.

19. Be consistent with the policies of the Local Coastal Program, the General Plan, and the California Coastal Act.

The project is consistent with LCP policies to protect heritage trees (CD 6.1.1 and CD 6.1.2), protect archaeological resources (CR 1.2.2), protect nearby streams and wetlands from erosion (EQ 3.1) and to utilize the environmental review process to ensure protection of other environmental resources (LU 1.4 and CR 1.2.2).

The project is consistent with several general plan policies that call for affordable housing (LU3.1.1, LU3.8, Housing Element Policy 2.2, Housing Element Policy 2.3, Housing Element Policy 2.7, Housing Element Policy 4.8 promote partnering with nonprofits (Housing Element Policy 2.3, CC2.1.3) and promote infill development (Housing Element Policy 2.7, Housing Element Policy 5.3, LU1.1).

The majority of the project area has a general plan land use designation of Low-Medium Density Residential, which accommodates a range of residential uses including single family dwellings, apartments, condominiums, and townhomes. The proposed SRO development fits within this range of uses. The small portion of the site being acquired from the adjacent Toadal Fitness gym site has a general plan land use designation of Community Facilities, which accommodates community uses such as government buildings, schools, community centers, and utilities. The site was designated as such in 1994 in order to accommodate school district offices. The school district has since moved on to a different location, and the purpose for which the land use designation change was made therefore no longer exists. The site was subsequently utilized for offices by the Housing Authority of Santa Cruz County. The current use is a Toadal Fitness gym, which was approved as it is similar in nature to a community recreational facility while not strictly

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falling within that category. In addition, the portion of the site to be transferred to the project site is currently a portion of the parking lot, and this piece of land will continue to be used for parking although for the SRO use and not for the Toadal Fitness gym use. Finally, the Toadal Fitness site will have a resulting size of 120,515 square feet, which could comfortably accommodate a new Community Facilities use in the future should one be desired at that location. Therefore, the project site is consistent with the intent of the general plan land use designations.

The property is located in an area mapped as potentially sensitive for archaeological resources under the general plan. General plan policy HA1.2.2 requires a project within this mapped area to undergo an archaeological investigation that includes archival research and site reconnaissance. An archaeological report completed by Patricia Paramoure Archaeological Consulting on May 6, 2021 found a very low probability of encountering archaeological resources on the site. However, a standard condition of approval will require the applicant to stop work should soil-disturbing activities result in the discovery of an archaeological resource.

The project is consistent with the California Coastal Act.

Design Permit, Section 24.08.430

- 20. The site plan and building design are consistent with design and development policies of the General Plan, any element of the General Plan, and any area plan, specific plan, or other city policy for physical development. If located in the Coastal Zone, the site plan and building design are also consistent with policies of the Local Coastal Program.**

The project is consistent with several general plan policies that call for affordable housing (LU3.1.1, LU3.8, Housing Element Policy 2.2, Housing Element Policy 2.3, Housing Element Policy 2.7, Housing Element Policy 4.8 promote partnering with nonprofits (Housing Element Policy 2.3, CC2.1.3) and promote infill development (Housing Element Policy 2.7, Housing Element Policy 5.3, LU1.1).

The majority of the project area has a general plan land use designation of Low-Medium Density Residential, which accommodates a range of residential uses including single family dwellings, apartments, condominiums, and townhomes. The proposed SRO development fits within this range of uses. The small portion of the site being acquired from the adjacent Toadal Fitness gym site has a general plan land use designation of Community Facilities, which accommodates community uses such as government buildings, schools, community centers, and utilities. The site was designated as such in 1994 in order to accommodate school district offices. The school district has since moved on to a different location, and the purpose for which the land use designation change was made therefore no longer exists. The site was subsequently utilized for offices by the Housing Authority of Santa Cruz County. The current use is a Toadal Fitness gym, which was approved as it is similar in nature to a community recreational facility while not strictly falling within that category. In addition, the portion of the site to be transferred to the

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project site is currently a portion of the parking lot, and this piece of land will continue to be used for parking although for the SRO use and not for the Toadal Fitness gym use. Finally, the Toadal Fitness site will have a resulting size of 120,515 square feet, which could comfortably accommodate a new Community Facilities use in the future should one be desired at that location. Therefore, the project site is consistent with the intent of the general plan land use designations.

The property is located in an area mapped as potentially sensitive for archaeological resources under the general plan. General plan policy HA1.2.2 requires a project within this mapped area to undergo an archaeological investigation that includes archival research and site reconnaissance. An archaeological report completed by Patricia Paramoure Archaeological Consulting on May 6, 2021 found a very low probability of encountering archaeological resources on the site. However, a standard condition of approval will require the applicant to stop work should soil-disturbing activities result in the discovery of an archaeological resource.

The project site is not located within the focus area of any area or specific plan.

As conditioned, and except for variations to parking, building height, and side yard setback with a Planned Development permit, the project is consistent with the development standards of the R-L zone district, the SRO development standards, and parking standards under the zoning ordinance. A condition of approval requires the area north of the four westernmost parking spaces to be fully landscaped in order for the site to meet the 10 percent of parking area in landscaping requirement.

The project is consistent with LCP policies to protect heritage trees (CD 6.1.1 and CD 6.1.2), protect archaeological resources (CR 1.2.2), protect nearby streams and wetlands from erosion (EQ 3.1) and to utilize the environmental review process to ensure protection of other environmental resources (LU 1.4 and CR 1.2.2).

- 21. For non-residential projects, the project's location, size, height, operations, and other significant features and characteristics are compatible with and do not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, safety, and welfare. For residential projects, the project complies with the objective standards and requirements of the zoning district in which it is located, as well as any objective standards of any area plan or other regulatory document that applies to the area in which the project is located.**

The proposal is a residential project. As conditioned, and except as modified by the requested variations to building height, setback, and number of parking spaces under the Planned Development Permit, the project complies with the applicable objective standards of the R-L zone district, the objective standards of the SRO regulations, and the objective standards of the parking regulations under the zoning ordinance. In order to meet the parking design standard requiring at least 10 percent of the parking area to be in landscaping, a condition of approval requires the area north of the four westernmost parking spaces to be fully landscaped. The project site is not located within an area plan.

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- 22. For non-residential projects, the project provides for an arrangement of uses, buildings, structures, open spaces, and other improvements that are compatible with the scale and character of the adjacent properties and surrounding neighborhood.**

The proposal is a residential use; therefore, this finding does not apply.

- 23. The exterior design and appearance of buildings and structures and the design of the site plan shall be compatible with design and appearance of other existing buildings and structures in neighborhoods which have established architectural character worthy of preservation.**

The property is located on the lower west side of Santa Cruz in an area that includes a mix of commercial and industrial uses and does not have an established architectural character worthy of preservation. The exterior design of the building has a scale, form, and material palate that is compatible with the surrounding area.

- 24. Design of the site plan respects design principles in terms of maintaining a balance of scale, form and proportion, using design components which are harmonious, and materials and colors which blend with elements of the site plan and surrounding areas. Location of structures takes into account maintenance of public views; rooftop mechanical equipment is incorporated into roof design or screened from public rights-of-way to the extent possible. Utility installations such as trash enclosures, storage units, traffic-control devices, transformer vaults and electrical meters are accessible and screened.**

The 10,519 square foot, three story building has a compatible scale to the mostly two story, larger commercial and industrial buildings in the surrounding area. The site plan places ample landscaping at the front of the site and places parking, trash room, and utility meters at the rear of the site, creating a visually pleasing view from the street. The proposed building has well-articulated walls and roofline, especially on the elevations facing Natural Bridges Drive and the railroad right of way. The mix of stucco and vertical siding provides quality exterior materials that add further interest. Details such as metal balcony railings, sheet metal coping, and slightly curved parapet roofline features complete a detailed design that blends in well with the surrounding area. The proposed building would not block any significant public views identified in the general plan. To ensure rooftop screening is compatible with the building design, a condition of approval requires rooftop screening to have the same color as the proposed stucco siding. A condition of approval requires all utility installations and mechanical equipment to be accessible and screened.

- 25. Where a site plan abuts, or is in close proximity to, uses other than that proposed, the plan shall take into account its effect on other land uses. Where a nonresidential use abuts or is in close proximity to a residential use, the effect of the site plan should maintain the residential quality of adjacent or nearby areas.**

The project site is surrounded by a gym, office building, and railroad right of way. The proposed residential use does not include any nuisance features that would affect the surrounding uses.

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- 26. To the extent feasible, the orientation and location of buildings, structures, open spaces and other features of the site plan maintain natural resources including significant trees and shrubs, minimize impacts to solar access of adjacent properties, and minimize alteration of natural land forms; building profiles, location, and orientation must relate to natural land forms.**

The proposed development involves removal of four of the five heritage trees on site. The project will retain a 25 inch cedar tree, which is in the best condition of the existing trees. A condition of approval will require replacement trees at a ratio of two 24-inch box trees or six 15 gallon trees per tree removed, or payment of a comparable in-lieu fee, to meet replacement requirements under the Heritage Tree Ordinance as well as under the Local Coastal Program. The site will cause some shading on the adjacent building to the north but will not shade the majority of the site and does not shade any residential use. The project site is generally flat, and the proposed development will not change that landform.

- 27. The site plan ensures that the scale, bulk, and setbacks of new development preserves important public views along the ocean and of designated scenic coastal areas. Where appropriate and feasible, the project shall restore and enhance visual quality of visually degraded areas.**

There are no views of the ocean from or through the project site, and the site is not located in a scenic coastal area. As the site is currently vacant, development of the site with the proposed quality design will enhance the visual quality of the area.

- 28. The site plan shall reasonably protect against external and internal noise, vibration and other factors which may tend to make the environment less desirable. The site plan should respect the need for privacy of adjacent residents.**

Any noise or vibrations that may occur as a result of construction are temporary; once constructed, the proposed SRO development will not cause any noise, vibrations, or other factors beyond those normally associated with a multi-family development that would make the environment less desirable. The site is not adjacent to a residential use.

- 29. Building and structures shall be designed and oriented to make use of natural elements such as solar radiation, wind, and landscaping for heating, cooling, ventilation, and lighting.**

The new building includes windows on all four elevations to allow light and air to pass through the building. Ample landscaping in the front yard provide a natural cooling effect for the project site and new trees provide shading.

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Planned Development, Section 24.08.770**30. Is consistent with the General Plan, the Local Coastal Land Use Plan, and adopted area plans.**

The project is consistent with several general plan policies that call for affordable housing (LU3.1.1, LU3.8, Housing Element Policy 2.2, Housing Element Policy 2.3, Housing Element Policy 2.7, Housing Element Policy 4.8 promote partnering with nonprofits (Housing Element Policy 2.3, CC2.1.3) and promote infill development (Housing Element Policy 2.7, Housing Element Policy 5.3, LU1.1).

The majority of the project area has a general plan land use designation of Low-Medium Density Residential, which accommodates a range of residential uses including single family dwellings, apartments, condominiums, and townhomes. The proposed SRO development fits within this range of uses. The small portion of the site being acquired from the adjacent Toadal Fitness gym site has a general plan land use designation of Community Facilities, which accommodates community uses such as government buildings, schools, community centers, and utilities. The site was designated as such in 1994 in order to accommodate school district offices. The school district has since moved on to a different location, and the purpose for which the land use designation change was made therefore no longer exists. The site was subsequently utilized for offices by the Housing Authority of Santa Cruz County. The current use is a Toadal Fitness gym, which was approved as it is similar in nature to a community recreational facility while not strictly falling within that category. In addition, the portion of the site to be transferred to the project site is currently a portion of the parking lot, and this piece of land will continue to be used for parking although for the SRO use and not for the Toadal Fitness gym use. Finally, the Toadal Fitness site will have a resulting size of 120,515 square feet, which could comfortably accommodate a new Community Facilities use in the future should one be desired at that location. Therefore, the project site is consistent with the intent of the general plan land use designations.

The property is located in an area mapped as potentially sensitive for archaeological resources under the general plan. General plan policy HA1.2.2 requires a project within this mapped area to undergo an archaeological investigation that includes archival research and site reconnaissance. An archaeological report completed by Patricia Paramoure Archaeological Consulting on May 6, 2021 found a very low probability of encountering archaeological resources on the site. However, a standard condition of approval will require the applicant to stop work should soil-disturbing activities result in the discovery of an archaeological resource.

The project is consistent with LCP policies to protect heritage trees (CD 6.1.1 and CD 6.1.2), protect archaeological resources (CR 1.2.2), protect nearby streams and wetlands from erosion (EQ 3.1) and to utilize the environmental review process to ensure protection of other environmental resources (LU 1.4 and CR 1.2.2).

The project is not within the focus area of any area plan.

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31. Is consistent with the purpose of this chapter and other applicable sections of this title.

The purpose of the Planned Development Permit under Chapter 24.08, Part 8 is to provide an avenue for developments that serve public objectives more fully than a development permitted under conventional zoning regulations. The project is consistent with this purpose in that it provides a 100 percent affordable housing development that also includes a dignified level of livability through comfortable floor to ceiling heights, a visually pleasing architectural design, and substantial useable open space. Except as allowed with variations under this permit, the project as conditioned is consistent with the applicable development standards of the R-L zone district, the SRO development standards, and the parking regulations.

32. Includes planned variations to underlying district regulations which serve public purposes to an equivalent or higher degree than would underlying district regulations.

Planned variations to district regulations include use variations to the R-L and P-F zone districts to allow the SRO use. Since SROs may exceed the density range for the general plan land use designation, allowing the SRO use provides the opportunity to create substantially more affordable units than would be allowed were the project constructed as an apartment project consistent with the R-L zone district. Variations to reduce the northern side yard setback from 12 feet to just over seven feet and to reduce required on-site parking from 20 spaces to the proposed 12 allows the project to dedicate more space to construction of units and useable open space for the residents. The requested variation to building height enables the project to provide comfortable floor to ceiling heights within the units, enhancing the livability of those units, and allows for an articulated parapet roofline. The proposed affordability level of the units provides a community benefit that balances the variations requested. A condition of approval requires the applicant to enter into an affordable housing agreement with the City to memorialize the affordability level of the units. Overall, these variations create more affordable units with a better amenity level than would be possible under the standard development regulations.

33. Can be coordinated with existing and proposed development of surrounding areas.

The project site is a vacant lot surrounded by developed land. The proposed SRO development is compatible with the surrounding uses that include office, a gym, and industrial uses in the general area. The location for the SRO use is suitable adjacent to the railroad right of way, as residents will be directly adjacent to the future rail trail.

34. Overall, the amenity level of the development and the amount of open space shall be greater than what would have been permitted by the underlying district regulations.

The use variation to allow the SRO use in an R-L zone district allows the use where strict application of the allowed uses in this district would not have allowed it. Similarly, allowing the portion of the site zoned P-F to be utilized for parking for the SRO units

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allows a use that is not specifically listed in the zone district. Reducing the amount of parking below the required amount and reducing the northern side yard setback allows the building to be set back further on the lot, maximizing the amount of open space useable to residents.

Submitted by:

Approved by:

Clara Stanger
Senior Planner

Samantha Haschert
Principal Planner

Attachments:

1. Exhibit “A” – Conditions of Approval
2. Project plans
3. Draft SRO management plan
4. Arborist report
5. Preliminary storm water control plan
6. CEQA exemption checklist
7. Public Notice Radius Map



CITY COUNCIL AGENDA REPORT

DATE: April 22, 2022

AGENDA OF: April 26, 2022

DEPARTMENT: Planning & Community Development

SUBJECT: **415 Natural Bridges, 2931 Mission Street (Application No. CP21-0059) Assessor's Parcel Numbers 003-011-06 and 003-011-10** - Lot Line Adjustment, Planned Development Permit, Design Permit, and Coastal Permit to Transfer 4,054 Square Feet of Land from APN 003-011-10 to APN 003-011-06, Remove Four Heritage Trees, and Construct a 100 Percent Affordable, 20 Unit SRO (Single Room Occupancy) Project with a Variation to Allowed Uses to Allow an SRO Use and Variations to Development Standards for Building Height, Side Yard Setback, and Number of Required Parking Spaces on a Vacant Lot in the R-L/CZ-O/SP-O/P-F (Multiple Residence - Low-Density/Coastal Zone Overlay/Shoreline Protection Overlay/Public Facilities) Zone District (PL)

RECOMMENDATION: Resolution acknowledging the environmental determination and approving the Lot Line Adjustment, Planned Development Permit, Design Permit, Coastal Permit and heritage tree removal to construct a 20-unit Single Room Occupancy (SRO) development based on the findings contained in the attached draft resolution and the Conditions of Approval.

BACKGROUND: The Housing Authority of the County of Santa Cruz proposes to construct a three story, 10,519 square foot building with 20 Single Room Occupancy (SRO) residential units that will be 100 percent affordable to tenants at a very low income level on a property located within the R-L/CZ-O/SP-O/P-F (Multiple Residence - Low-Density/Coastal Zone Overlay/Shoreline Protection Overlay/Public Facilities) zone. If approved, the applicant anticipates obtaining a building permit in the fall of this year, completing construction in February 2024, and moving tenants into the building in March 2024.

The project requires approval of the following permits:

- **Lot Line Adjustment** to transfer 4,054 square feet from the adjacent parcel with APN 003-011-10, currently a portion of a *Toadal Fitness* gym parking lot, to the subject property (Municipal Code Section 23.12.030.1.b);
- **Planned Development Permit** to allow variations to permitted zone district uses for the SRO use and to allow variations to development standards including building height, property line setback, and the number of required parking spaces (24.08.720);

- **Design Permit** to construct a building with three or more dwelling units, and as required in conjunction with a Planned Development Permit (24.08.410.1 and 24.08.410.12);
- **Coastal Permit** to construct a new residential building in the appealable area of the Coastal Zone (24.08.200 et seq.); and
- **Heritage Tree Removal Permit** to remove four heritage trees (9.56.060).

Community Meeting

The project is a medium sized development project requiring community outreach under the Department of Planning & Community Development Community Outreach Policy for Planning Projects. The project applicant hosted a virtual community meeting on June 28, 2021 after pre-application review by City staff and prior to formal application submittal. The meeting was duly noticed via on-site posting as well as postcard mailings to properties within a 500-foot radius of the project parcel. In addition to applicant and City staff representatives, eight individuals from the community attended the meeting. Five attendees provided feedback, and they all expressed support for the project with regard to building design, reduced parking, affordable housing at this location, and the site's location next to the future rail trail.

Planning Commission Review

On March 17, 2022, the Planning Commission conducted a public hearing on the subject application. The Planning Commission staff report is attached and includes a thorough analysis of the project and its compliance with applicable codes. The Planning Commission received no written comments on the project, and with exception of the project representatives, no members of the public spoke at the public hearing. All commissioners expressed support for the project and raised no concerns. The Planning Commission voted unanimously 6-0-1 (one commissioner recused), to recommend approval of the project with a modified condition of approval regarding the placement of electrical transformer boxes as requested by the applicant and recommended by staff. The proposed conditions are attached.

DISCUSSION:

General Plan Consistency

The majority of the project area has a general plan land use designation of Low-Medium Density Residential, which accommodates a range of residential uses including single family dwellings, apartments, condominiums, and townhomes. The proposed SRO development is consistent with the range of uses contemplated in this land use designation. The small portion of the site being acquired from the adjacent *Toadal Fitness* gym parcel has a general plan land use designation of Community Facilities, which accommodates community uses such as government buildings, schools, community centers, and utilities. The site was designated for Community Facilities in 1994 in order to accommodate school district offices. The school district has since moved on to a different location, and the purpose for which the land use designation change was made therefore no longer exists. The site now has a *Toadal Fitness* gym, and the portion of the parcel to be transferred to the SRO project site currently serves as excess parking for the gym. This piece of land will continue to be used for parking, although the spaces will serve the SRO use and not the *Toadal Fitness* gym use. Given these circumstances and the additional analysis noted below, the entire project site can be considered consistent with the intent of the general plan land use designations.

The proposal is consistent with the general plan's Neighborhood Integrity and Housing guiding principle, which calls for the City to pursue affordable housing while promoting livability and a high quality in building design. The project is also consistent with several general plan policies

that promote affordable housing, infill development, and collaboration with nonprofit organizations. These policies include:

- LU3.1.1 Encourage through incentives and expedited permit processing a variety of housing types, when appropriate.
- LU3.8 Allow [SRO] residential uses to exceed the maximum densities in this chapter: Cf. LU1.3 and 3.7.1.
- Housing Element Policy 2.2 Facilitate the development of affordable housing through the provision of regulatory concessions, financial incentives and assistance, density bonuses, and other means.
- Housing Element Policy 2.3 Collaborate with nonprofit organizations, private developers, employers, special needs groups, state and federal agencies, and other interested parties to develop affordable housing.
- Housing Element Policy 2.7 Encourage more fully integrated neighborhoods through the development of mixed income and affordable infill housing and through the placement of other affordable housing projects in neighborhoods that do not already have high levels of low income housing.
- Housing Element Policy 4.8 Support the development of a variety of housing types, specifically smaller units and single-room occupancy units that address the needs of extremely low income households.
- Housing Element Policy 5.3 Ensure that the character and design of both infill development and remodel/rehabilitation projects promote the vitality of existing neighborhoods.
- LU1.1 Relate residential, commercial, and industrial land use intensities to the capability and location of the land while ensuring optimum utilization of infill parcels.
- CC2.1.3 Facilitate efforts of private and nonprofit public service and facility providers.

Planned Development Permit

The Planned Development Permit provides an approval pathway for a project that is not fully consistent with zone district use and development standards but that overall implements the goals and policies of the general plan to a greater extent than would be possible with a fully conforming project. This project is requesting a variation to permitted zone district uses to allow the SRO use in the RL zone district and associated parking in the PF zone district. The project is also requesting variations to development standards to allow six feet of additional building height for a 36-foot tall building, a reduction in the northern side yard setback from the required 12 feet to seven feet two inches, and a reduction in the number of required parking spaces from 20 spaces to 12. These variations will provide for more units and create units that are more spacious and livable than would be permitted under standard zoning requirements.

In exchange for these variations, the project is offering as a community benefit to restrict all units for rent at an affordable level to very low income households at 50 percent area median income (AMI). The City's inclusionary housing regulations require 20 percent of the units in an SRO project, or four units in this case, to be restricted for rent to very low income households. The proposal exceeds this requirement, creating a benefit that more fully implements the numerous general plan policies listed above than would be possible with a project that simply met the minimum standard.

The Regional Housing Needs Assessment (RHNA) set forth by the State of California and Association of Monterey Bay Area Governments (AMBAG) requires the City to provide enough land zoned for residential uses to allow the potential of 180 very low income units to be developed

between 2015 and 2023. While the city has zoned enough land to accommodate these units, 57 very low income units have obtained building permits during the 2015-2023 cycle thus far. Several additional housing developments have the potential for obtaining building permits by the end of 2023 that would create at least 339 additional very low income units, making it likely the City will reach its RHNA goal for this income level. Approval of this 20-unit SRO project will contribute to the City's efforts to meet the RHNA goal.

Regarding the Potential for ADU's

Like all multi-family property in the state, this project is entitled to create ADUs in addition to the units proposed as a ministerial action. Up to 25% of the total number of units (for this project, a total of five) can potentially be created by converting non-livable space, and up to two New Construction ADUs also could potentially be built – either attached to or detached from the proposed structure.

HEALTH IN ALL POLICIES (HiAP): HiAP is a collaborative approach to improving the health of all people by incorporating health considerations into decision-making across sectors and policy areas. HiAP is based on three pillars: equity, public health, and sustainability. The goal of HiAP is to ensure that all decision-makers are informed about the health, equity, and sustainability impacts of various policy options during the policy development process. The project supports the pillar of equity by providing rental units affordable to those with very low income levels. The development is on a site that is improved with sidewalks and street trees and that is in close proximity to public transportation, commercial goods and services, and recreational areas. The development of residences in this central location and adjacent to the potential future rail trail along the adjacent railway line encourages a sustainable and healthy lifestyle by promoting alternative forms of transportation. Therefore, the project is consistent with the three pillars of the HiAP and is an efficient use of the land.

ENVIRONMENTAL DETERMINATION: Public Resources Code Section 21083.3 allows a lead agency to avoid repeating analyses that were already provided in a certified general plan EIR for a development project that is consistent with the general plan. Public Resources Code section 21083.3 and its parallel CEQA Guidelines provision, section 15183, provide for streamlined environmental review for projects consistent with the general plan for which an EIR was certified. Subsection (d) further indicates that an effect of a project upon the environment shall not be considered “peculiar to the parcel or to the project...if uniformly applied development policies or standards” have been previously adopted by the city or county, with a finding based upon substantial evidence, that the development policies or standards will substantially mitigate that environmental effect when applied to future projects, unless substantial new information shows that the policies or standards would not substantially mitigate the environmental effect. Under these provisions of CEQA, the project is consistent with the general plan, its certified EIR, and uniformly applied standards in the Santa Cruz Municipal Code and is therefore exempt from further CEQA analyses.

FISCAL IMPACT: As a 100 percent affordable housing project, the development will likely be exempt from paying property taxes. As is the case for all residential projects, there will be a cost of providing services (library, police, fire, etc.). The project will also generate plan check and building permit fees to the City, as well as payment of traffic impact fees and the fair share payment of future off-site improvements. The applicant has submitted a fee waiver application, which, if approved, would result in the reduction of some of these fees. The fee waiver application will be heard at a subsequent City Council meeting once the two-week Coastal

ATTACHMENT 7

Commission appeal period has passed, or after a Coastal Commission hearing in the event of an appeal.

Prepared by:
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Director of Planning and
Community Development

Approved by:
Matt Huffaker
City Manager

ATTACHMENTS:

Draft Resolution with Exhibit A: Conditions of Approval
Project Plans

Planning Commission Staff Report from March 17, 2022

Planning Commission Action Summary from March 17, 2022

