



City Council AGENDA REPORT

DATE: 01/04/2024

AGENDA OF: 01/23/2024

DEPARTMENT: Planning and Community Development

SUBJECT: Municipal Code Amendments Relating to Objective Design Standards and Permit Processing Responding to Modifications Requested by the California Coastal Commission (PL)

RECOMMENDATION: Motion to:

- 1) Adopt a resolution acknowledging receipt of the resolution of certification from the California Coastal Commission, including the suggested modifications, and
 - 2) Introduce for publication an ordinance amending various parts Chapter 24.04 of the Santa Cruz Municipal Code related to permit processing in response to action by the California Coastal Commission.
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BACKGROUND: The City of Santa Cruz adopted Ordinance 2022-19 for the Objective Design Standards for Multifamily Housing project on December 13, 2022. Part of this ordinance addressed the manner in which development permits would be processed in light of the new standards and reduction in local discretion for housing development projects. These amendments can be found largely in Santa Cruz Municipal Code Chapter 24.04: Administration.

Ordinance 2022-19 is also an amendment to the City's Local Coastal Program Implementation Plan (LCP IP) and requires approval from the California Coastal Commission (CCC) prior to taking effect inside the portion of the City within the Coastal Zone. Following adoption of the ordinance, City staff submitted it to the CCC for review and approval in February of 2023. At their meeting on November 15, 2023, the CCC passed a motion approving the LCP amendment conditional upon the City accepting minor modifications requested by Commission staff and incorporating them into the City's ordinance and LCP IP.

DISCUSSION: During their review, Coastal Commission staff identified the need for additional clarity regarding the procedures, fees, and noticing for projects inside the Coastal Zone that include a Coastal Development Permit (CDP) as part of the City approval. The three modifications requested by the CCC relate to the way CDPs are processed by the City and largely clarify existing law. One requested modification does slightly change the City's current procedure regarding noticing of modification permits. The proposed amendments in Santa Cruz Municipal Code (SCMC) Sections 24.04.130 and 24.04.182 relate to procedures for CDP appeals and clarify the circumstances under which the Coastal Commission will charge a fee to hear a CDP appeal. The modification proposed to SCMC Section 24.04.160 addresses the requirements

for Minor Modifications to permits which include a CDP and clarifies the “notice of final action” procedures these permits must meet. Previously, CCC was not typically notified of minor modifications to permits, but the proposed amendment would require that the CCC be notified of all modifications. The CCC’s proposed changes are shown in the attached clean and redlined ordinances.

Next Steps: Should the City Council accept CCC’s minor modifications and introduce them for publication on January 23, a second reading of the ordinance will take place at the next available Council hearing. As summarized in the attached CCC Action Notice, the ordinance will take effect inside the Coastal Zone as soon as “the Commission’s Executive Director reports to the Commission her determination that the City’s actions are legally adequate, and the Commission does not object to the Executive Director’s determination.” If the City Council moves to adopt the modifications as shown in the attached ordinance, City staff will submit to the Coastal Commission for review at the next available meeting, which will likely be the March 2024 hearing. The ordinance will take effect inside the Coastal Zone the same day the adoption of the modifications is certified by the Coastal Commission.

Should the City Council disagree with the requested modifications, the ordinance would not take effect in the Coastal Zone. Staff would need to coordinate with the Coastal Commission regarding alternative revisions, and those revisions would need to be approved by both the City Council and Coastal Commission. If the changes represented substantive modifications, they would need to return to the Planning Commission for a formal recommendation to Council, Council would need to approve them, and then they would be resubmitted to the Coastal Commission as a new LCP amendment, triggering a new round of review.

Health in All Policies: The proposed amendments are exclusively procedural in nature and will have minimal impact upon the City’s goals for equity, public health, and sustainability, though the amendments’ clarification of procedures is supportive of equity goals by helping make the Coastal Permit processes better understood.

Environmental Review: The proposed amendment has no impact on the natural environment and, because it does not change any of the regulations or standards governing any type of physical development, does not qualify as a project under the California Environmental Quality Act (CEQA) and is therefore excluded from review.

FISCAL IMPACT: The fiscal impact of these amendments is minimal. The proposed amendment to permit modification noticing procedures will incur minor administrative costs associated with certain project applications.

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ATTACHMENTS:

1. RESOLUTION.DOCX
2. PROPOSED ORDINANCE, CLEAN.DOCX
3. PROPOSED ORDINANCE, REDLINED.DOCX
4. CALIFORNIA COASTAL COMMISSION STAFF REPORT AND MODIFICATIONS DISCUSSION.PDF
5. CALIFORNIA COASTAL COMMISSION ACTION NOTICE.PDF