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To: Commissioners and Interested Persons

From: Dan Carl, Central Coast District Manager
Susan Craig, Coastal Planner

Subject: City of Santa Cruz LCP Amendment Number 2-06 Part 1 (Arana Gulch). Proposed major amendment to the City of Santa Cruz certified Local Coastal Program to be presented for public hearing and Commission action at the California Coastal Commission's March 12, 2009 meeting to take place at the Portola Hotel and Spa at Monterey Bay, Two Portola Plaza in Monterey.

Summary

The City of Santa Cruz is proposing to amend its Local Coastal Program (LCP) to change the land use and zoning designations and make corresponding LCP text changes for the City-owned Arana Gulch greenbelt and open space property, including for portions of the property recently annexed into the City and not previously covered by the City's LCP. Arana Gulch is located just inland of the Santa Cruz Harbor, and it includes a large meadow area that is generally framed in on both sides by Arana Creek and associated wetlands (downcoast) and Hagemann Creek (upcoast), both feeding into the upper Harbor. Arana Gulch is currently undeveloped with the exception of a number of unimproved trails that crisscross the property, and was acquired by the City in 1994 to serve as a greenbelt/open space area. The majority of Arana Gulch is located within the Commission's retained coastal development permit (CDP) jurisdiction, and thus the LCP sections being amended can provide non-binding guidance for any future Commission decisions, but the standard of review will remain the Coastal Act for those portions of Arana Gulch that are within the Commission's retained permitting jurisdiction.

The primary thrust of the amendment is to remove some of the more intensive development designations that currently apply to sections of the Arana Gulch property (i.e., residential, community facilities) in recognition of the fact that the City does not intend to pursue such development of this open space greenbelt property in the future, and to instead designate the property as a natural area, flood plain, and park area. Although this primary objective is generally appropriate, the proposed amendment is problematic because neither the parks LUP designation nor the flood plain IP designation are appropriate for this property in light of its habitat sensitivity. Specifically, the Arana Gulch property features a mix of valuable and sensitive natural habitats including riparian habitats, wetlands, and natural grasslands that are environmentally sensitive habitat areas (ESHAs) under both the Coastal Act and the LCP. In fact, much of the meadow area is Santa Cruz tarplant habitat (a federally threatened species and a state endangered species) that has been designated as critical habitat for this species by the United States Fish and Wildlife Service (USFWS). Similarly, suitable habitat for federally threatened species as red-legged frog and steelhead is likewise present in the wet areas of the Arana Gulch



property. In sum, Arana Gulch is a sensitive coastal resource area with significant ESHA resources.

Given the resource sensitivity associated with the Arana Gulch property, including significant ESHA areas therein, the appropriate LUP designation for this site is NA (Natural Area), and the appropriate IP designation for this site is PK (Parks). Staff recommends that the Commission approve the LCP amendment only if it is modified to appropriately designate this site. The four necessary motions and resolutions can be found on pages 2-4.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on January 10, 2008. It is a combined LUP/IP amendment and the original 90-day action deadline was April 9, 2008. On February 8, 2008, the Commission extended the action deadline by one year to April 9, 2009. Thus, the Commission has until April 9, 2009 (i.e., up to and including the Wednesday of the April 2009 Commission hearing scheduled for April 8-10, 2009) to take a final action on this LCP amendment.

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I. Staff Recommendation – Motions and Resolutions

Staff recommends that the Commission, after public hearing, approve the proposed amendment only if modified. The Commission needs to make four motions in order to act on this recommendation.

1. Denial of Land Use Plan Major Amendment Number 2-06 Part 1 as Submitted

Staff recommends a **NO** vote. Failure of this motion will result in denial of the amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.



Motion (1 of 4). I move that the Commission **certify** Land Use Plan Major Amendment 2-06 Part 1 as submitted by the City of Santa Cruz.

Resolution to Deny Land Use Plan as Submitted. The Commission hereby denies certification of the Land Use Plan Major Amendment 2-06 Part 1 as submitted by City of Santa Cruz and adopts the findings set forth below on the grounds that the amendment does not conform with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment would not comply with the California Environmental Quality Act because there are feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

2. Approval of Land Use Plan Major Amendment Number 2-06 Part 1 if Modified

Staff recommends a **YES** vote. Passage of the motion will result in the certification of the land use plan amendment with suggested modifications and adoption of the following resolution and findings. The motion to certify with suggested modifications passes only upon an affirmative vote of the majority of the appointed Commissioners.

Motion (2 of 4). I move that the Commission **certify** Land Use Plan Major Amendment 2-06 Part 1 if it is modified as suggested in this staff report.

Resolution to Certify with Suggested Modifications. The Commission hereby certifies Land Use Plan Major Amendment 2-06 Part 1 to the City of Santa Cruz Local Coastal Program if modified as suggested and adopts the findings set forth below on the grounds that the Land Use Plan amendment with suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan amendment if modified as suggested complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts which the Land Use Plan Amendment may have on the environment.

3. Denial of Implementation Plan Major Amendment Number 2-06 Part 1 as Submitted

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in rejection of the amendment and the adoption of the following resolution and the findings in this staff report. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion (3 of 4). I move that the Commission **reject** Implementation Plan Major Amendment Number 2-06 Part 1 as submitted by the City of Santa Cruz.

Resolution to Deny. The Commission hereby **denies** certification of Implementation Plan Major Amendment Number 2-06 Part 1 as submitted by the City of Santa Cruz and adopts the findings set forth in this staff report on the grounds that, as submitted, the Implementation Plan



amendment is not consistent with and not adequate to carry out the certified Land Use Plan. Certification of the Implementation Plan amendment would not comply with the California Environmental Quality Act because there are feasible alternatives or mitigation measures which could substantially lessen any significant adverse effect which the Implementation Plan Amendment may have on the environment.

4. Approval of Implementation Plan Major Amendment Number 2-06 Part 1 if Modified

Staff recommends a **YES** vote on the motion below. Passage of this motion will result in certification of the amendment with suggested modifications and the adoption of the following resolution and the findings in this staff report. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion (4 of 4). I move that the Commission **certify** Implementation Plan Major Amendment Number 2-06 Part 1 if it is modified as suggested in this staff report.

Resolution to Certify with Suggested Modifications. The Commission hereby **certifies** Implementation Plan Major Amendment Number 2-06 Part 1 to the City of Santa Cruz Local Coastal Program if modified as suggested and adopts the findings set forth in this staff report on the grounds that, as modified, the Implementation Plan amendment is consistent with and adequate to carry out the certified Land Use Plan. Certification of the Implementation Plan amendment if modified as suggested complies with the California Environmental Quality Act because either: (1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment; or (2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts which the Implementation Plan Amendment may have on the environment.

II. Suggested Modifications

The Commission hereby suggests the following modifications to the proposed LCP amendment, which are necessary to make the requisite Coastal Act and Land Use Plan consistency findings. If the City of Santa Cruz accepts each of the suggested modifications within six months of Commission action (i.e., by September 12, 2009), by formal resolution of the City Council, the modified amendment will become effective upon Commission concurrence with the Executive Director's finding that this acceptance has been properly accomplished. Where applicable, text in ~~cross-out~~ format denotes text to be deleted and text in underline format denotes text to be added.

- 1. LUP Land Use Map Designation.** Modify the proposed LUP Land Use Map designation for Arana Gulch (see page 2 of Exhibit B) so that it is only "NA (Natural Area)."
- 2. LUP Policy 1.2.4.** Delete proposed LUP Community Design Element Policy 1.2.4 (see page 3 of



Exhibit C).

3. **IP Zoning Designation.** Modify the proposed zoning for Arana Gulch (see page 4 of Exhibit B) so that it is “PK (Parks)” overall with an FP-O (Flood Plain Overlay) combining district applied to the area shown as FP on page 4 of Exhibit B.

III. Findings and Declarations

The Commission finds and declares as follows:

A. Arana Gulch Background

Arana Gulch is a 67.7-acre natural area located approximately 1.5 miles east of downtown Santa Cruz in the eastern part of the City where it transitions to the Live Oak area of unincorporated Santa Cruz County (see Exhibit A for a location map and an aerial photograph of Arana Gulch). Arana Gulch is located just inland of the Santa Cruz Harbor, and it includes a large meadow area that is generally framed in on both sides by Arana Creek and associated wetlands (downcoast) and Hagemann Creek/Gulch (upcoast), both of which feed into the upper Harbor. The site was purchased by the City of Santa Cruz in 1994 as part of a phased effort to acquire greenbelt areas in and around the City, and four of the Arana Gulch properties were recently annexed into the City (in April 2007). Since its acquisition, the City Parks and Recreation Department has been responsible for its management and maintenance. Other than a few unimproved trails that crisscross the property, Arana Gulch is currently undeveloped.

The Arana Gulch property features a mix of valuable and sensitive natural habitats including riparian habitats, wetlands, and natural grasslands that are environmentally sensitive habitat areas (ESHAs) under both the Coastal Act and the LCP. In fact, much of the meadow area is Santa Cruz tarplant habitat (a federally threatened species and a state endangered species) that was designated as critical habitat for this species by USFWS in 2002. Similarly, suitable habitat for such federally threatened species as red-legged frog and steelhead is likewise present in the wet areas of the Arana Gulch property. In sum, Arana Gulch is a sensitive coastal resource area with significant ESHA resources.

The City has long been pursuing the development of a commuter bike path through the Arana Gulch area that would connect Broadway (in the City of Santa Cruz) to Brommer Street (in Live Oak) by way of a paved path through Arana Gulch and bridge crossings of Arana Creek (and wetland) and Hagemann Creek (and gulch). The proposed project has long been controversial, including engendering litigation,¹ primarily in relation to its potential impact on Arana Gulch ESHA. Commission staff has long provided

¹ *California Native Plant Society, et al vs. City of Santa Cruz*; Petition filed in Superior Court of the State of California for the County of Santa Cruz on August 10, 2006; Superior Court ruling in favor of the City on January 8, 2008; appealed to 6th District Court of Appeal on January 8, 2008.



recommendations to the City on the project in relation to Coastal Act and LCP requirements for protecting coastal resources, including the requirement that any development here must be premised on ESHA avoidance, and that any allowable development in ESHA must be resource-dependent.² Given the significance of the natural resources within Arana Gulch, the related planning controversy related to the site, and the LCP requirements for comprehensive planning to precede development here, the City of Santa Cruz has recently developed a master plan for the Arana Gulch area that is designed to protect and enhance resources at the same time as provide for limited public use.³ The City indicates that it intends to pursue the bike path project and implementation of the master plan through a CDP application after this LCP amendment process has been completed.⁴

B. Proposed LCP Amendment

Proposed LUP Changes

The amendment would change LUP Land Use Map designations for the Arana Gulch property from a combination of CF (Community Facilities), L (Low Density Residential), VL (Very Low Density Residential), and NA (Natural Area) to a dual designation of NA/PK (Natural Area/Parks), and would remove the LUP Land Use Map symbol requiring a specific plan for the site. The proposed amendment includes related text changes to Land Use Element Policy 2.2.7 that would similarly eliminate the requirement for a specific plan for Arana Gulch to precede development there, and would replace this with a requirement for a park master plan/resource management plan for Arana Gulch. The proposed text amendment would also delete sections of Policy 2.2.7 that pertain to potential residential and community facilities development within Arana Gulch. The proposed amendment also includes new Community Design Element Policy 1.2.4 that requires the City to annex the four City-owned parcels that are part of the Arana Gulch property but are (were)⁵ located within the unincorporated County. See pages 1-2 of Exhibit B for the proposed LUP map changes and Exhibit C for the proposed text changes.

Proposed IP Changes

² Including letters dated January 9, 1996, April 1, 1997, November 25, 1998, January 11, 2000, March 11, 2003, May 13, 2003, July 27, 2004, August 3, 2005, and April 14, 2006.

³ The objectives of the master plan are organized in relation to both resource protection and public use. Master plan objectives for resource protection and enhancement include: protect and enhance sensitive habitat areas; implement an adaptive management program to ensure the long-term viability of the Santa Cruz tarplant; educate the public about natural resource protection and enhancement through interpretive displays and programs; and reduce sedimentation through a variety of means. Master plan objectives for public use include: provide a trail system that allows public access that does not degrade habitat values; provide multiuse trail connections through Arana Gulch that comply with the American with Disabilities Act requirements and provide pedestrian, wheelchair, and bicycle access; provide areas for nature viewing and interpretive displays; restrict dogs to on-leash use at all times on designated trails; close unauthorized, non-designated pathways.

⁴ Such CDP process will involve the Commission for its retained jurisdiction, the City for its jurisdiction on the upcoast portion of the site, and the County for the component of the project in Live Oak. It is possible that the City may pursue consolidated CDP processing through the Commission's CDP process alone pursuant to Coastal Act Section 30601.3.

⁵ The subject properties have been annexed into the City and are no longer a part of Santa Cruz County.



The amendment would change Implementation Plan zoning designations for portions of the site from R-1-5 (Single Family Residential) to PK (Parks), and zone the newly annexed properties as a combination of FP (Floodplain) and PK (Parks). The result would be some PK (Parks) areas, including those already zoned in this way that are not changing, and some FP (Floodplain) area limited to the Arana Creek and wetland area. See pages 3-4 of Exhibit B for the proposed IP zoning changes.

C. Consistency Analysis

1. Standard of Review

The proposed amendment affects the LUP and IP components of the City of Santa Cruz LCP. The standard of review for the LUP amendments is that they must be consistent with and adequate to carry out the Coastal Act; the standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LUP.⁶

2. LUP Amendment Consistency Analysis

In order to approve an LUP amendment, it must be consistent with and adequate to carry out the Coastal Act to the extent necessary to achieve the basic state goals specified in Coastal Act Section 30001.5.

A. Applicable Policies

Basic Coastal Zone Goals

Pursuant to Coastal Act Section 30512.2, LUP conformance is measured against the requirements of Chapter 3 of the Coastal Act only to the extent necessary to achieve the basic state coastal zone goals specified in Coastal Act Section 30001.5, which states:

***Section 30001.5.** The Legislature further finds and declares that the basic goals of the state for the coastal zone are to:*

- (a) Protect, maintain, and where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources.*
- (b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.*
- (c) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resource conservation principles and*

⁶ The majority of Arana Gulch is located within the Commission's retained CDP jurisdiction (see Exhibit D) and thus the LCP sections being amended can provide non-binding guidance for any future Commission decisions in that area, but the standard of review will remain the Coastal Act.



constitutionally protected rights of private property owners.

(d) Assure priority for coastal-dependent and coastal-related development over other development on the coast.

(e) Encourage state and local initiatives and cooperation in preparing procedures to implement coordinated planning and development for mutually beneficial uses, including educational uses, in the coastal zone.

Thus, the state's coastal zone goals include the goal of protecting, maintaining and restoring the overall quality of the coastal zone environment and its resources, and the goal of assuring orderly and balanced use and conservation of such resources (Sections 30001.5(a) and 30001.5(b)). These goals are reflected in and apply to each of the following Chapter 3 policies listed below. In addition, the Section 30001.5(c) goal to maximize public recreational access opportunities consistent with resource protection applies directly to the public access and recreation policies identified below. Thus, although not re-cited with respect to each listed issue area below (to avoid unnecessary repetition), these coastal zone goals are applicable to each of the issues areas and Chapter 3 policies identified below in that same manner.

Habitat/ESHA

The Coastal Act is very protective of habitat, including environmentally sensitive habitat areas (ESHA) and wetlands. With respect to ESHA, the Coastal Act defines ESHA as follows:

Section 30107.5. *“Environmentally sensitive area” means any area in which plant or animal life or their habitats are either rare or especially valuable because of their special nature or role in an ecosystem and which could be easily disturbed or degraded by human activities and developments.*

Non-resource dependent development within ESHAs is prohibited, and adjacent development must be sited and designed so as to maintain the productivity of these natural systems. In particular, Coastal Act Section 30240 states:

Section 30240(a). *Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values, and only uses dependent on those resources shall be allowed within those areas.*

Section 30240(b). *Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

The Coastal Act also includes specific protective policies for marine and aquatic environments, including wetlands. Coastal Act Sections 30230, 30231, and 30233 provide:



Section 30230. *Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.*

Section 30231. *The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.*

Section 30233(a). *The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:*

- (1) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.*
- (2) Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.*
- (3) In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities.*
- (4) Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.*
- (5) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.*
- (6) Restoration purposes.*
- (7) Nature study, aquaculture, or similar resource dependent activities.*

Section 30233(c). *In addition to the other provisions of this section, diking, filling, or dredging in existing estuaries and wetlands shall maintain or enhance the functional capacity of the wetland or estuary...*



Finally, the Coastal Act references general habitat protection in the provisions of Section 30250(a) with respect to coastal resources in general as follows:

Section 30250. *(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located ... where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.*

Public Access and Recreation

Protection of public access and recreation opportunities is also a fundamental Coastal Act policy. The Act speaks to the need to maximize public access to and along the coast, and prohibits development from interfering with the public's right of access to the sea. The Act also protects recreational opportunities and land suitable for recreational use.

Section 30210: *In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.*

Section 30214(a): *(a) The public access policies of this article shall be implemented in a manner that takes into account the need to regulate the time, place, and manner of public access depending on the facts and circumstances in each case including, but not limited to, the following: (1) Topographic and geologic site characteristics. (2) The capacity of the site to sustain use and at what level of intensity. (3) The appropriateness of limiting public access to the right to pass and repass depending on such factors as the fragility of the natural resources in the area and the proximity of the access area to adjacent residential uses. (4) The need to provide for the management of access areas so as to protect the privacy of adjacent property owners and to protect the aesthetic values of the area by providing for the collection of litter.*

Section 30223: *Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.*

Public Views

Protection of visual resources is a fundamental Coastal Act policy. Significantly, Coastal Act Section 30001(b) notes that permanent protection of scenic resources is a paramount concern, and Section 30251 requires new development in highly scenic areas to be subordinate to the character of the area:

Section 30001(b). *The Legislature hereby finds and declares that the permanent protection of the state's natural and scenic resources is a paramount concern to present and future residents of the state and nation.*

Section 30251. *The scenic and visual qualities of coastal areas shall be considered and*



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

B. Analysis

The proposed amendment would apply a dual LUP designation of NA/PK (Natural Areas/Parks) to the City-owned Arana Gulch property, would remove existing residential and community facilities designations and related text, would replace the Arana Gulch specific plan requirement with a master plan requirement, and would add specific text to the LCP requiring annexation of City-owned Arana Gulch properties.

NA/PK Land Use Designation

According to the LUP, properties designated NA (Natural Areas) include land that, for reasons of vegetation and wildlife habitat protection, aesthetic and recreational purposes, and safety should remain in a primarily undeveloped state. The Natural Areas designation is intended to protect the natural beauty and open space character of the City's designated Natural Areas, and to allow use of these areas for passive recreational activities such as interpretive walks, jogging, biking, hiking, horseback riding, picnicking, reading and resting. These areas are a highly valued natural resource under the LUP, providing valuable wildlife habitats, scenic and recreational enjoyment, and offering an escape from the built environment.

Per the LUP, lands designated as PK include neighborhood, community, and regional park lands used for passive and/or active recreational uses by residents and visitors. Neighborhood parks serve the recreational needs of residents living or working within a neighborhood area and include facilities such as children's play areas, athletic fields and outdoor basketball courts. Community parks serve recreational needs beyond those supplied by neighborhood parks. They are generally larger in size than neighborhood parks and have major recreation facilities such as large picnic areas, swimming pools, ball fields, tennis courts, and recreation centers. Regional parks serve the recreational needs of a regional population and range in size from 150 to 500 acres. They are primarily areas with active and passive recreation including open space, horse trails, large picnic facilities, golf courses, lake boating, ball fields, and hiking trails.

As discussed above, the Arana Gulch property includes a number of environmentally sensitive habitat areas and sensitive species, including designated critical habitat for the threatened/endangered Santa Cruz tarplant. Given the sensitive nature of the Arana Gulch property, it is not appropriate to designate it PK because this land use designation is clearly for property designed to be more intensively and actively used. Allowable uses for PK-designated areas include more active public access and recreation activities



and developments, such as ball fields and playgrounds. These types of uses are not resource-dependent and would result in adverse ESHA and other coastal resource impacts inconsistent with the Coastal Act. It is possible that there are areas within the Arana Gulch property where a designation of PK might be appropriate (e.g., those areas, if any, that do not constitute ESHA), but the PK designation as proposed by the City would apply to the entire Arana Gulch property, including all associated ESHA.

In addition, the proposed dual designation raises LCP implementation issues inasmuch as the LCP is not explicitly structured to account for dual land use designations,⁷ and there is some question as to how the dual designations would be interpreted and implemented. Although it could clearly be argued that the dual designation approach means that NA also applies to the whole property and its standards would apply too, such an interpretation approach raises questions as to when the PK standards would be interpreted to apply. If it were to be interpreted that both NA and PK standards apply, then the result would de facto be a NA designation inasmuch as the NA designation is on balance more resource protective. If the intent is to pick and choose between the NA and PK standards and apply them to separate areas of the site, then the dual designation is inappropriate because the City could pursue such different designations for different areas of the property based on resources on the ground in relation to such proposed designations and uses; that has not been done in this proposed LCP amendment.

Finally, the more intensive development allowed under the PK designation could lead to inappropriate impacts on the significant open space public views of and across the Arana Gulch property, including views from locations on and at the immediate periphery of the property, as well as from surrounding areas (e.g., Santa Cruz Harbor, Frederick Street Park, etc.), albeit to a somewhat lesser degree given the topography of the site and the presence of intervening development. In any case, the more intensive types of development contemplated by the PK designation would not be visually compatible with the character of the site and surrounding areas, and could lead to significant public view impacts inconsistent with the Coastal Act's viewshed protective policies.

Given the variety of ESHAs and sensitive species found within the Arana Gulch property, and given the significance of open space viewshed associated with Arana Gulch, the appropriate LUP land use designation for the property is NA (Natural Area) (see suggested modification 1). The proposed NA designation is most appropriate for Arana Gulch because this designation will allow only low key passive recreational activities and public access such as interpretive walks, jogging, biking, and hiking that adequately respect ESHA and related natural resource values, and that are protective of and subordinate to the natural setting, including with respect to public views.

⁷ The LCP does include overlay districts intended to apply in addition to the base land use designation, but these overlays are only in the IP (not the LUP), and even then are not dual designations so much as additional standards that apply in addition to the base district standards. The Commission did approve a dual designation of Parks/Community Facilities in 2003 for the City's Depot Park site to allow development of park facilities, such as playing fields and associated parking, as well as future development of a natural history museum on this large urbanized site. In the Depot Park site case, the individual designations (Parks and Community Facilities) work together well to allow for proposed development of the site and do not provide the potential for conflicts in interpretation of allowable development and uses as does the proposed Natural Areas/Parks dual designation for Arana Gulch.



Master Plan versus Specific Plan

The proposed amendment also modifies LUP Land Use Element Policy 2.2.7 to replace the requirement for a pre-development specific plan for the Arana Gulch property with a requirement for a pre-development master park plan/resource management plan for the property (see pages 1-2 of Exhibit C), and removes the associated specific plan requirement from the LUP's Land Use map. The primary distinction here is that a specific plan is an ordinance that would require certification of an LCP IP amendment before it could be used as a basis for any development whereas a master park plan/resource management plan is not required to be an LCP amendment, and rather can be developed and implemented as part of a coastal permit process. Although the specific plan process ensures a more structured plan approval and certification process, including requiring formal Coastal Commission certification of an LCP amendment, it also injects considerable additional time and public expense when it is not clear that that is necessary to address coastal resource issues at this location, including because such master park plan/resource management plan would need to be consistent with the same standards as currently apply (they are not proposed for changes in this amendment package), and they would be required to form the basis for any CDP applications to the Commission (for the majority of the site) and Santa Cruz City and/or County (on the margins), where decisions on the latter could also be appealed to the Commission.⁸ Thus, the proposed specific plan/master plan changes can be found consistent with the Coastal Act's coastal resource protection policies cited above.

Removal of Residential and Community Facility Standards

The deletion of the residential and community facilities designations and related text that currently apply to sections of the Arana Gulch property is appropriate. Such LUP designations and text are holdovers from before the property was acquired by the City for greenbelt open space, and the City does not intend to pursue such development in the future. In addition, and for similar reasons as indicated above, such designations/text conflict with the coastal resource protection policies of the Coastal Act, including with respect to ESHA and public views inasmuch as residential and community facilities development is not resource-dependent and would be expected to lead to significant ESHA and related resource impacts, and public viewshed degradation. Thus, the proposed residential and community facilities changes can be found consistent with the Coastal Act's coastal resource protection policies cited above.

Annexation Policy

With respect to the proposed annexation policy, it is no longer necessary because the City has already annexed the properties in question.⁹ Therefore, proposed Community Design Policy 1.2.4 is no longer

⁸ As indicated, the City has already prepared an Arana Gulch master park plan/resource management plan that they intend to use as the basis for future development proposals within Arana Gulch.

⁹ The City of Santa Cruz previously applied to the Santa Cruz County Local Agency Formation Commission (LAFCO) to annex these four parcels (totaling seven acres). The purpose of the annexation was to place all municipally-owned Arana Gulch open space parcels within the City limits of the City of Santa Cruz. On April 4, 2007, LAFCO approved the annexation, and the properties are now within City limits.



necessary (see suggested modification 2).

C. Conclusion

As modified, the proposed LUP map and text amendments can be found consistent with the Coastal Act.

3. IP Amendment Consistency Analysis

A. Applicable Policies

The standard of review for the IP portion of the proposed amendment is conformance with and adequacy to carry out the LUP. The LUP includes a wide range of policies that address ESHA, wetlands, and related habitat resources, public recreational access, and public views, including:

LUP Environmental Quality Element Policy 4.2: *Preserve and enhance the character and quality of riparian and wetland habitats, as identified on Maps EQ-8 and EQ-11, or as identified through the planning process or as designated through the environmental review process.*

LUP Environmental Quality Element Policy 4.2.1: *Develop, adopt, and implement management plans for City-owned wetland and riparian areas... Require management plans for sites not owned by the City in connection with development, and/or encourage other agencies to implement management plans for... Arana Gulch... When a management plan is prepared, mechanisms will be adopted to implement the plan through permit conditions and other measures to enhance the natural resource.*

LUP Environmental Quality Element Policy 4.2.2.3: *Prohibit uses such as construction of main or accessory structures, grading or removal of vegetation within riparian and wetland resource and buffer areas and allow permitted uses (such as pervious non-motor vehicular trails, incidental public services, maintenance, and replacement of existing public works facilities, maintenance of existing or restoration of previously dredged depths in flood control projects and navigational channels, small-scale facilities (500 sq. ft. or less) associated with nature study or resource-dependent activities, construction, grading, or removal of vegetation necessary for maintenance, landscaping designed to provide a natural buffer and grading necessary as part of such landscaping plan, passive recreation, habitat preservation and restoration) that are consistent with the environmental quality policies of the Plan, Section 30222 of the Coastal Act, and adopted management plans. Development in wetlands can only be undertaken where there is no feasible, less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental impacts. If any exceptions to this policy are to be considered, it shall be within the context of a resource management plan, which shall be approved by the Coastal Commission as an amendment to the Land Use Plan.*

LUP Environmental Quality Element Policy 4.2.4: *Preserve riparian and wetland vegetation by minimizing removal and allowing only for uses dependent on the resources, passive recreational use, and maintenance of existing uses according to adopted management plans with*



compensating mitigation. Remove nonnative invasive plants as specified in the management plans.

LUP Environmental Quality Element Policy 4.2.5: *Protect and minimize the impact of development on bird, fish, and wildlife habitat in and adjacent to waterways.*

LUP Environmental Quality Element Policy 4.3: *Preserve the character and quality of grassland habitats, as identified on Map EQ-8, by minimizing disturbance and removal of native grasslands and design landscaping to provide a natural buffer.*

LUP Environmental Quality Element Policy 4.5: *Continue the protection of rare, endangered sensitive, and limited species and the habitats supporting them as shown in Map EQ-9 or as identified through the planning process or as designated as part of the environmental review process.*

LUP Environmental Quality Element Policy 4.5.2: *Preserve the Santa Cruz Tar Plant by requiring appropriate buffers from any development and a management plan for onsite preservation.*

LUP Community Design Element Policy 2.1.5: *Protect and enhance unique natural areas including but not limited to... Arana Gulch flood plain...*

LUP Land Use Element Policy 3.4: *Develop, implement, and maintain updated management plans for the protection and enhancement of natural areas throughout the City including:... Arana Gulch... Management plans should address the following: description of the resource, preservation objectives, strategies to fulfill the objectives, and the means to carry out those strategies (e.g. timeline, funding, authorities).*

LUP Land Use Element Policy 3.5: *Protect coastal recreation areas, maintain all existing coastal access points open to the public, and enhance public access, open space quality, and recreational enjoyment in a manner that is consistent with the California Coastal Act.*

LUP Parks and Recreation Element Policy 1.7: *Develop plans to repair, maintain, and maximize public access and enjoyment of recreational areas along the coastline consistent with sound resource conservation principles, safety, and the rights of private property owners.*

B. Analysis

The proposed amendment would rezone a portion of the Arana Gulch property from R-1-5 (Single Family Residential – Minimum Lot Area of 5,000 Square Feet) to PK (Parks). As proposed, the portion of the Arana Gulch property that is currently zoned FP (Flood Plain) would remain zoned FP. The FP zoning also would be applied to portions of the four parcels that have been annexed from the County; the remaining portions of the four annexed parcels would be zoned PK. See pages 3-4 of Exhibit B for



the current zoning map and for the proposed zoning map.

Residential Zoning (and Annexed Areas) going to Parks Zoning

Removing the R-1-5 residential zoning from a portion of the Arana Gulch property will be consistent with amended LUP Land Use Element Policy 2.2.7 (see pages 1-2 of Exhibit C), which no longer includes provisions for residential use of the Arana Gulch property, and with the amended LUP Land Use map that designates the site NA (Natural Area). Removing residential use as an allowable use on the Arana Gulch property is also consistent with the LUP's requirements to protect and enhance unique natural areas, such as Arana Gulch, including requirements to protect wetlands, streams, grasslands, as well as the Santa Cruz tarplant.

With respect to the proposed new PK (Parks) zoning for these areas and for a portion of the annexed areas (see pages 3-4 of Exhibit B), this zoning, although imperfect, can adequately implement the LUP's NA land use designation. The reason for this is because the LCP IP does not contain a zoning district that directly implements the NA land use designation (i.e., there is no 'open space' or 'natural area' or equivalent zoning district in the certified LCP). For better or worse, most of the properties that are designated NA in the LUP are zoned PK (including Lighthouse Field State Beach, the undeveloped portions of Delaveaga Park, portions of Natural Bridges State Beach, etc.). Although a more targeted zoning district that better mimics the NA LUP designation would be preferable, one does not currently exist in the LCP, and PK zoning does not share the same problems as the PK LUP designation (see previous finding) because the underlying LUP Natural Areas standards still apply, and the PK zoning district is premised more on establishing the requirement for a special use permit or an approved Park Master Plan as a means of establishing use and design parameters for such sites. Such a zoning requirement can readily dovetail with the master plan process embedded in the amended LUP, and can adequately carry out the LUP in this case.

The Commission encourages the City to develop an appropriate implementation zoning district for properties that are designated NA. Until that is accomplished, however, the most appropriate certified zoning district to implement the Natural Area land use designation is the PK (Parks) zoning district.

Remove Flood Plain Zoning

The FP (Flood Plain) zoning (proposed to be retained over a portion of the property and newly applied to a portion of the annexed property) is problematic. Such FP zoning would be applied over the Arana Creek system, including the significant wetland area nearest the Harbor. FP zoning allows for a range of uses and development that are not consistent with the LUP's protective policies that apply to this system (including allowing for agricultural uses such crop and tree farming and nurseries, as well as accessory uses such as barns, garages, and other related structures). These types of uses are not appropriate in the sensitive habitat areas of streams and wetlands found on this portion of the Arana Gulch property. Also, the FP zoning does not appropriately implement the NA (Natural Areas) designation. Consistent with the immediately preceding discussion, the most appropriate zoning district for this area is PK (Parks) (see suggested modification 3).



That said, the City has indicated that it is important to the City that the zoning map be consistent with the FEMA flood regulations and flood insurance maps. This can readily be accomplished by use of the LCP's overlay zoning system that retains the base district standards while applying specific targeted additional standard through an overlay. In this case, the base PK (Parks) district can be combined with an FP-O (Flood Plain Overlay) overlay district over the areas proposed to be designated FP (see page 4 of Exhibit B) (see suggested modification 3). Application of the Flood Plain Overlay means that the portions of the Arana Gulch property that are zoned with this overlay will also be subject to the floodplain management provisions of the LCP (i.e., IP Section 24.14, Part 4), the purpose of which is to minimize public and private losses due to flood conditions in flood hazard areas. Thus, the natural resource values can be appropriately reflected and protected at the same time as the City's flood issue concerns are addressed.

C. Conclusion

As modified, the proposed IP amendments can be found consistent with and adequate to carry out the certified LUP as amended.

D. California Environmental Quality Act (CEQA)

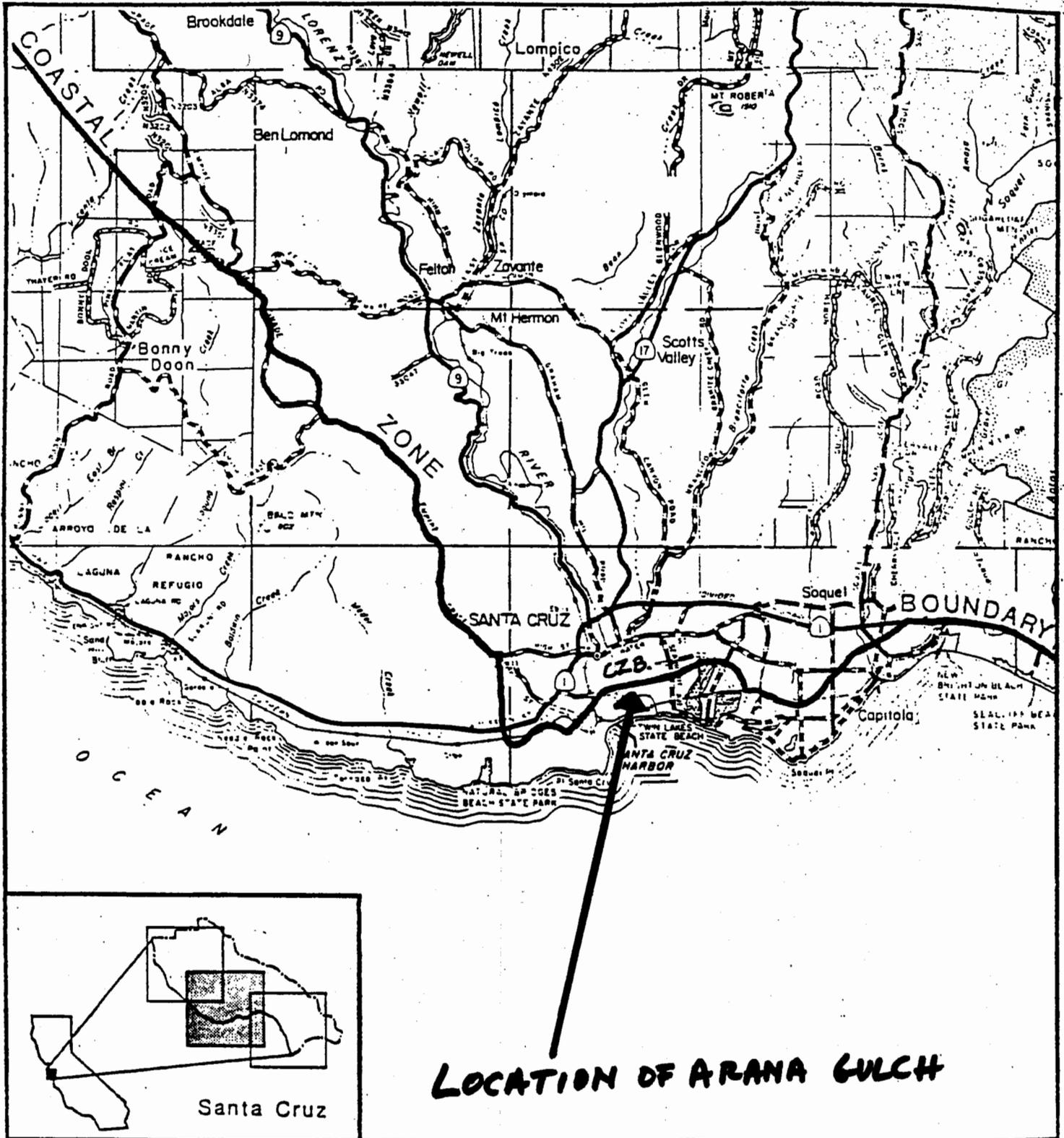
The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. Therefore, local governments are not required to undertake environmental analysis of proposed LCP amendments, although the Commission can and does use any environmental information that the local government has developed. CEQA requires that alternatives to the proposed action be reviewed and considered for their potential impact on the environment and that the least damaging feasible alternative be chosen as the alternative to undertake.

The City, acting as lead CEQA agency, prepared an Environmental Impact Report for the Arana Master Plan¹⁰ and used information from this document to evaluate the proposed amendment under CEQA. This staff report has discussed the relevant coastal resource issues with the proposal, and has recommended appropriate suggested modifications to avoid and/or lessen any potential for adverse impacts to said resources. All public comments received to date have been addressed in the findings above. All above Coastal Act findings are incorporated herein in their entirety by reference.

As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the amendment, as modified, would have on the environment within the meaning of CEQA. Thus, if so modified, the proposed amendment will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).

¹⁰ Commission staff commented on this document, raising many of the same concerns and issues identified in this report (see letter dated April 14, 2006).





LOCATION OF ARANA GULCH

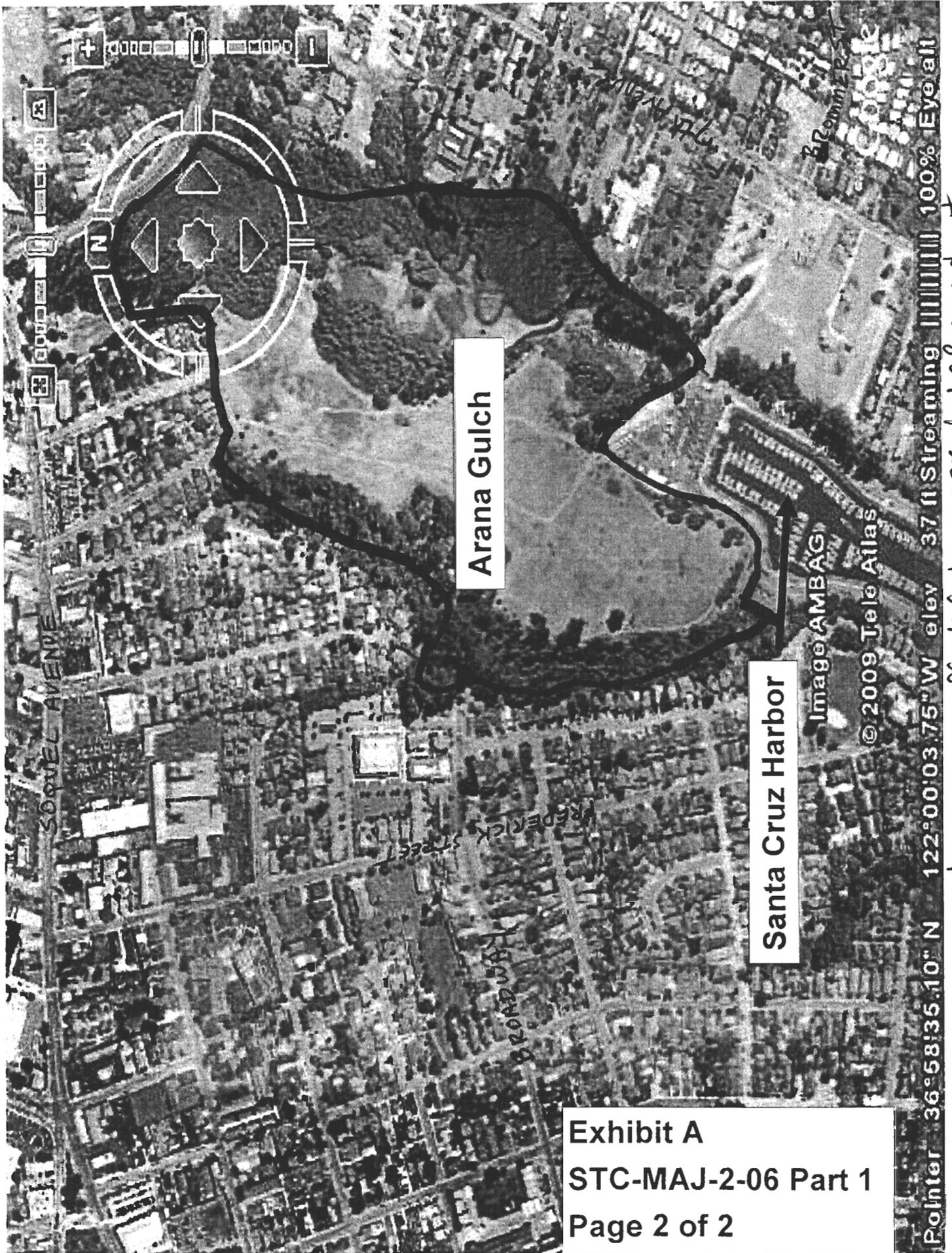
 California Coastal Commission

LOCATION MAP



County of Santa Cruz

CCC Exhibit A
 (page 1 of 2 pages)



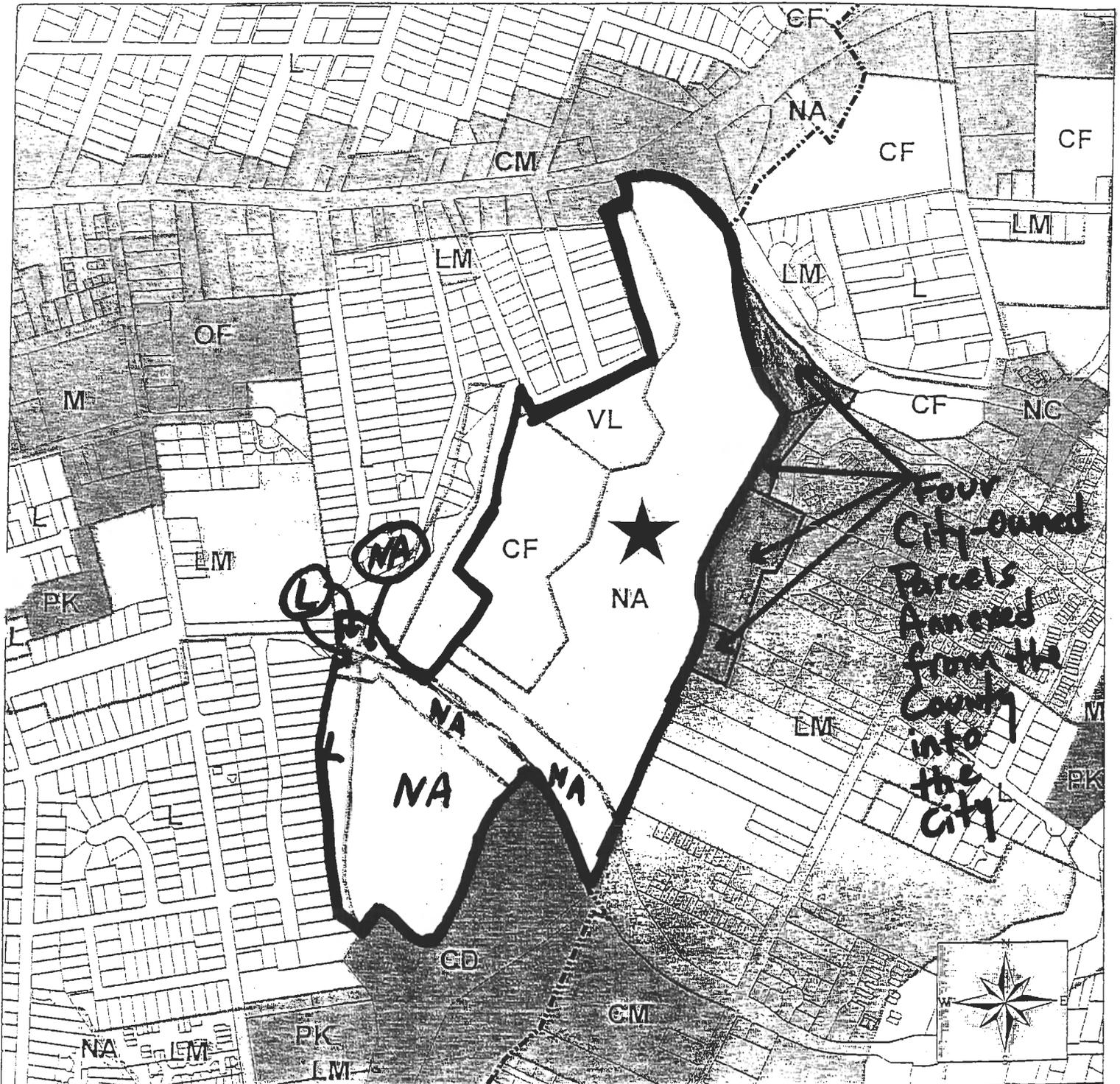
Arana Gulch

Santa Cruz Harbor

Exhibit A
STC-MAJ-2-06 Part 1
Page 2 of 2

= Approximate area affected by proposed LCP amendment

Existing General Plan Land Use Designations for Arana Gulch



CF = Community Facilities
 L = Low Density Residential
 VL = Very Low Density Residential
 NA = Natural Area

Legend

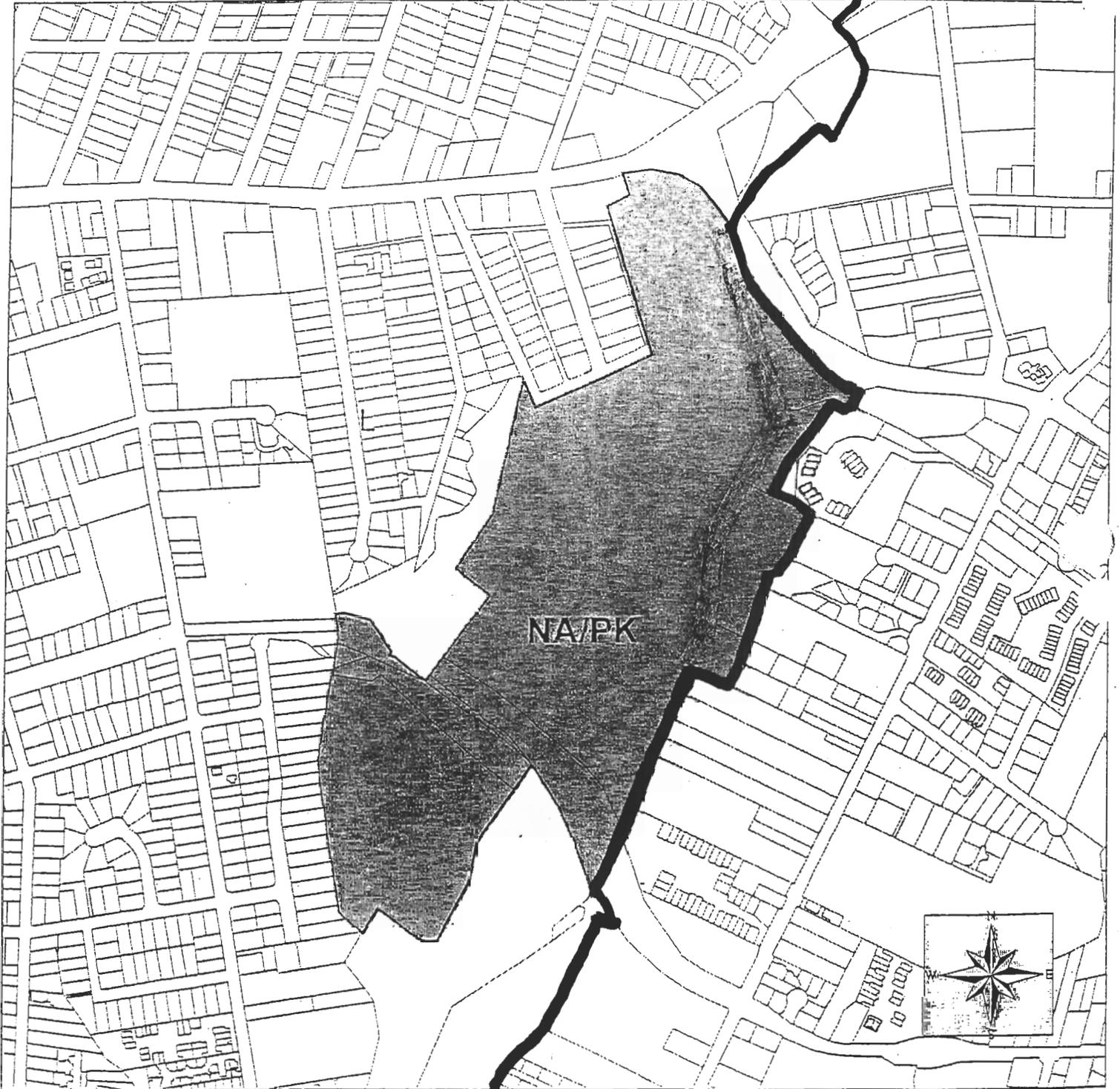
Santa Cruz City Limits

Requires Specific Plan

CCC Exhibit B
 (page 1 of 4 pages)

0 115 230 460 690 920 Feet

Proposed General Plan Land Use Map Amendment For Arana Gulch



Legend

 Santa Cruz City Limits

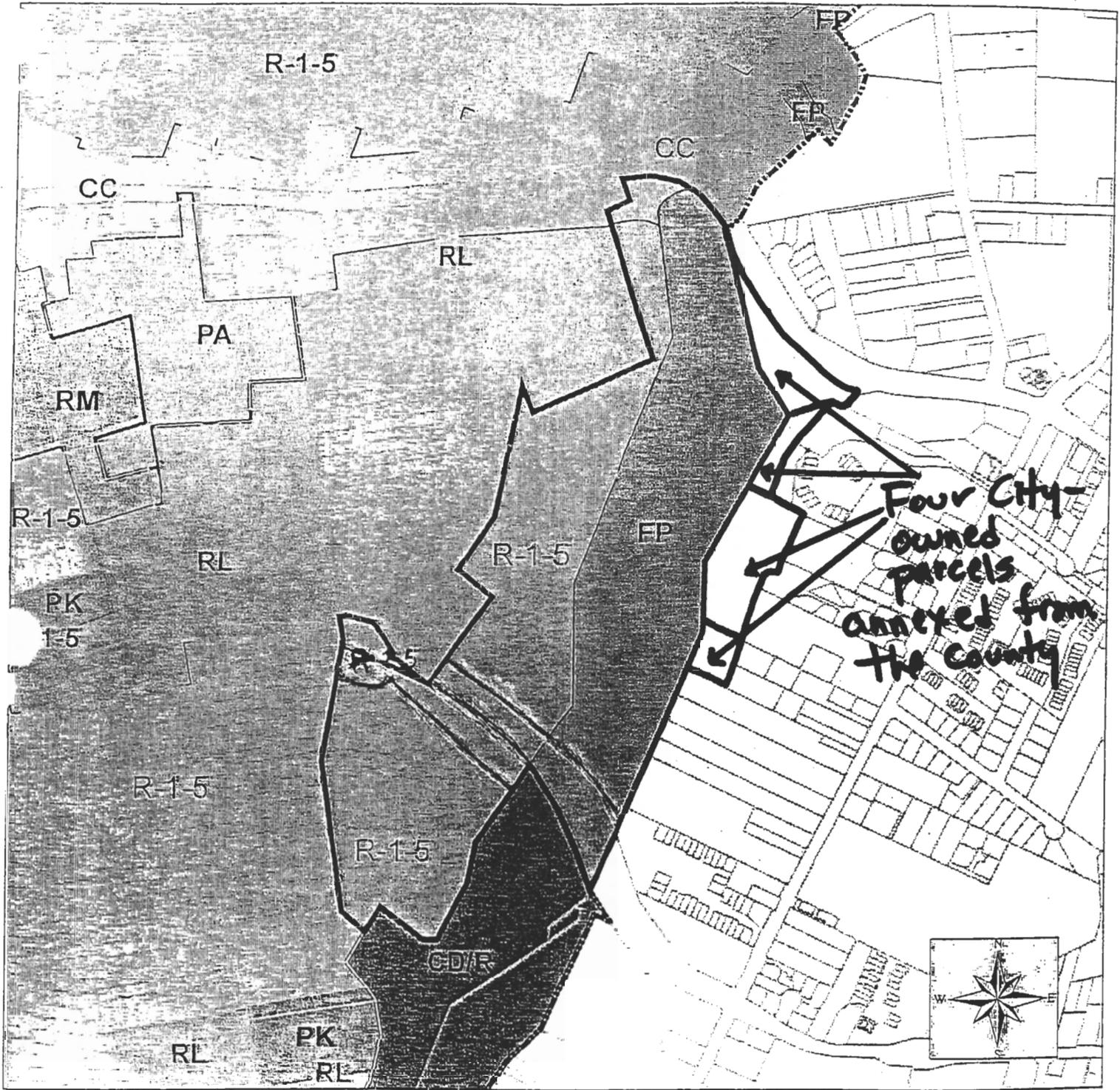
 Arana Gulch Area

CCC Exhibit B
(page 2 of 4 pages)

0 120 240 360 480 600 720 840 Feet

City of Santa Cruz GIS
Prepared by M T Alsp
June 28, 2006

Existing Zoning Arana Gulch



R-1-5 = Single Family Residential
 Minimum Lot Size 5,000 square feet

Legend

 Santa Cruz City Limits

FP = Flood Plain

CCC Exhibit B
 (page 3 of 4 pages)



Proposed Zoning Arana Gulch



-  PK (Parks)
-  FP (FLOOD PLAIN)

-  Santa Cruz City Limits
-  Parcels to be Rezoned

CCC Exhibit B
(page 4 of 4 pages)



Excerpt From General Plan Land Use Element



2.
2.0.7

Require a ~~specific plan~~ master park plan/resource management plan for the Arana Gulch site prior to any development which preserves the area's open-space character, protects sensitive biotic habitats and relates proposed development to its surroundings and develop a management plan for the property addressing environmental and safety concerns related to development.

- Protect the floodplain by maintaining it in a natural state and rehabilitating damage from erosion. Minimize and mitigate impacts from adjacent lands, such as runoff and erosion.
- Protect the Tar Plant habitat through an on-site management program established by a professional biological study.
- Protect animal habitats through preservation and buffering, minimize the impacts of development upon tree communities, and provide for wetland and riparian restoration of Arana Gulch.
- Prohibit exceptions to the setback and buffer requirements of the Zoning Ordinance conservation regulations.
- ~~Cluster development in the area designated (on the land use diagram) as very low density residential on the northern portion of the site to reduce visual and site altering impacts, taking into account building height, impacts on environmental resources, environmental hazards, the relative impacts of different housing types and maintenance of public view corridors allowing the Environmental Review Process to address issues of access, topography and habitat values.~~
- ~~Provide for a variety of housing including 35% affordable or equivalent.~~
- Provide for pedestrian and bicycling linkages to other segments of the Arana Gulch corridor via the Harbor and other public access points.
- Provide for public viewing points of the floodplain and riparian corridor.
- ~~Provide for a possible community facility including a school and neighborhood park of at least 10 developable acres. School yards and playgrounds should be jointly planned by the School District~~

CCC Exhibit C
(page 1 **of** 3 **pages)**

~~and the City to provide for neighborhood park as well as school needs. The school should be sited and developed in a way that maximizes convenience and safety for children, consistent with environmental protection. A pedestrian and bicycle connection from Broadway should be provided.~~

- ~~Require Soquel Avenue and Soquel Avenue/South Park Way intersection improvements before occupancy of any residential or school development.~~

CCC Exhibit C
(page 2 of 3 pages)

Excerpt From Community Design Element

Policies and Programs:

General
Plan
Policies
only →
not part
of LCP

- 1.2 Do not expand the City's Sphere of Influence or annex lands other than those specified in Programs 1.2.1 ~~and~~ ,1.2.2 and 1.2.4 of this Plan.
- 1.2.1 Annex the balance of UCSC lands outside of the coastal zone immediately and consider annexing lands inside the coastal zone at a later date.
- 1.2.2 Consolidate the City limits in the Carbonera Area.
- 1.2.3 Evaluate deannexing agriculturally zoned land on the western edge of the City.



1.2.4 Annex the four City owned parcels that are part of the Arana Gulch property abutting the city limit boundary.

"Wave" symbol = LCP Policy

 = CCC Permit Jurisdiction
 Shaded Areas = coastal zone

COASTAL ZONE
 BOUNDARY



100' from stream

Pursuant to Section 0199 (a)(2) of the LCP
 Regulations, the appeal jurisdiction
 boundary of this area is the first low of
 waters of 100 feet from the mean high tide
 line, whichever is the greater distance.

100' from stream

CCC Exhibit D
 (page 1 of 1 pages)

First Public Road