

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
(831) 427-4863

Th10b



Prepared January 25, 2007 (for February 15, 2007 Hearing)

To: Commissioners and Interested Persons

From: Charles Lester, Senior Deputy Director
Steve Monowitz, Central Coast District Manager
Susan Craig, Coastal Planner

Subject: Santa Cruz County LCP Minor Amendment Number 2-06 (Very Low Income Component)

Santa Cruz County's Proposed Amendment

Santa Cruz County is proposing to amend its certified Implementation Plan (Zoning Ordinance) to adjust the number of low income residential units that must be constructed on land located within the Urban Services Line that has been rezoned from a non-residential zoning district to a residential zoning district. The amendment adds a very low income affordability component when development of 100 or more housing units takes place on land converted from non-residential land to residential use. Currently, the LCP requires that 40% of all residential units constructed on such land to be affordable, half of which must be affordable to low income households. The amendment supplements this requirement, when more than 100 residential units will be built, by requiring that at least one half of the units available to low income households include at least one half that are affordable to very low income households. This requires that a minimum of 10% of the total units be made available to very low income households. If more than 10% of the units will be constructed for very low income households, the amendment provides that the aggregate of very low income and low income affordable units must total a minimum of 20% of the units.

Projects converting non-residential land to residential use but creating fewer than 100 units will not be affected by this amendment and will still be required to meet the LCP's required 40% low and moderate income affordability threshold. The objective of the proposed amendment is to provide very low income housing, which is badly needed in Santa Cruz County. The 100-unit requirement will allow a developer to take advantage of the economies of scale provided by multifamily housing construction and partnering with nonprofit housing developers. See Exhibit #1 for the County's proposed changes to Section 13.10.215 and Section 17.10.030 of the certified Zoning Ordinance.

The requested amendment was filed January 12, 2007 pursuant to Coastal Act Section 30514(b) and California Code of Regulations Sections 13554 and 13555.

Minor LCP Amendment Determination

Based on its review of the submitted materials, the Executive Director has determined that the proposed LCP amendment qualifies as a minor amendment. Section 13554(a) of the California Code of Regulations defines minor amendments to certified Implementation Plans (zoning ordinance) as:



California Coastal Commission

February 2007 Meeting in San Diego

Staff: S. Craig Approved by:

Th10b-2-2007

CCR Section 13554(a). Changes in wording which make the use as designated in the zoning ordinances, zoning district maps or other implementing actions more specific and which do not change the kind, location, intensity, or density of use and which are found by the Executive Director of the Commission or the Commission to be consistent with the land use plan as certified by the Commission.

Any land within the Urban Services Line proposed for conversion from non-residential use to residential use will require a separate LCP amendment. Thus, the proposed amendment will not change the kind, location, intensity, or density of use allowed by the underlying residential zoning district, as established through the LCP amendment process. The amendment simply refines the LCP's existing system for ensuring that the resulting residential development will include a range of housing types in order to meet the community's housing needs. The amendment will not conflict with any policy or standards contained within the certified Land Use Plan or Chapter 3 of the Coastal Act.

The purpose of this notice is to advise interested parties of the Executive Director's determination (pursuant to CCR Section 13555) that the proposed amendment is minor as defined in CCR Section 13554(a).

Coastal Commission Concurrence

Pursuant to CCR Section 13555, the Executive Director will report this determination to the Coastal Commission at its February 2007 meeting at the Catamaran Resort Hotel located at 3999 Mission Boulevard in San Diego. The Executive Director will also report any objections to the determination that are received within ten working days of posting of this notice. The proposed minor amendment will be deemed approved and will become effective immediately unless one-third of the appointed members of the Commission request that it be processed as a major LCP amendment (CCR Section 13555(b)).

For further information regarding the proposed LCP amendment or the Commission's procedures, please contact Susan Craig in the Coastal Commission's Central Coast District Office in Santa Cruz at the address or phone number listed above. Objections to the proposed minor LCP amendment should be submitted in writing by February 8, 2007.

Exhibits:

Exhibit 1: Proposed Zoning Ordinance Changes

Exhibit 2: Board of Supervisors' Resolution



ORDINANCE NO. 4243

ORDINANCE AMENDMENTS TO COUNTY CODE SECTIONS 13.10.215 AND 17.10.030 ADDING VERY LOW INCOME HOUSING REQUIREMENTS TO THE CONVERSION OF NON RESIDENTIAL LAND TO RESIDENTIAL LAND

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

Subsection (a)1 of Section 13.10.215, Zoning Plan Amendment, of the Santa Cruz County Code is hereby amended to read as follows:

(a) 1. To further this intention and to address the housing needs of County residents, the County shall require that within the Urban Services Line, any rezoning from a non-residential zone district to a residential zone district meet the following criteria:

- a. A minimum of 40% of all residential units or parcels resulting from the rezoning shall be affordable. At least one half of the affordable units shall be affordable to low income households. For parcels on which 100 or more units will be created, the units affordable to low income households shall include at least one half that are affordable to very low income households, resulting in a minimum of 10% of the total units being available to very low income households. If more than 10% of the units will be constructed for very low income households, the aggregate of very low and low income affordable units must total a minimum of 20% of the total units. All required affordable units shall be located on-site. If the calculation of the affordable housing obligation under Section 17.10.030(b) results in any fractional obligation above a whole unit, the project developer shall contribute funds equivalent to the fractional amount to the Measure J Trust Fund as provided in Section 17.10.034.
- b. These affordable units shall meet the requirements of Chapter 17.10 of the County Code, as applicable.

SECTION II

Subsection (b)5 of Section 17.10.030, Inclusionary housing requirements for residential development projects, of the Santa Cruz County Code is hereby amended to read as follows:

(b) 5. Non-residential to residential rezoning and/or General Plan amendment. Non-residential parcels which as a result of a rezoning and/or General Plan Amendment are rezoned or designated as residential shall be

required to provide forty (40) percent of the total number of units as affordable in accordance with 13.10.215 (a) (1). A minimum of one half of the affordable units shall be affordable to below average (lower) income households. Additionally, in projects that will result in 100 or more new residential units, at least 10% of the total units shall be affordable to very low income households, and the combined number of very low and low income affordable units shall total a minimum of 20% of the total units. All affordable units must be located on-site. Development under these provisions shall only qualify for incentives and concessions relating to site standards as identified in 17.12.040 but are not eligible for additional Density Bonus units. If the calculation of the affordable housing obligation under Section 17.10.030(b) results in any fractional obligation above a whole unit, the project developer shall contribute funds equivalent to the fractional amount to the Measure J Trust Fund as provided in Section 17.10.034. No alternative option for satisfying the affordable requirement is allowed.

SECTION III

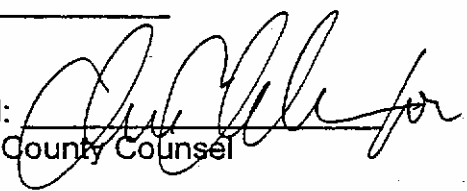
This Ordinance shall take effect on the 31st day after the date of final passage outside the Coastal Zone and upon certification by the Coastal Commission within the Coastal Zone.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz this _____ day of _____, 2006, by the following vote:

- AYES: SUPERVISORS
- NOES: SUPERVISORS
- ABSENT: SUPERVISORS
- ABSTAIN: SUPERVISORS

CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: _____
Clerk

APPROVED AS TO FORM: 
County Counsel

Copies to: Planning Department
County Counsel

CCC Exhibit 1
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BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 390-2006

On the motion of Supervisor: Pirie
Duly seconded by Supervisor: Wormhoudt
The following resolution is adopted:

RESOLUTION ADOPTING ORDINANCE AMENDMENTS TO COUNTY CODE SECTIONS 13.10.215 AND 17.10.030 ADDING VERY LOW INCOME HOUSING REQUIREMENTS TO THE CONVERSION OF NON RESIDENTIAL LAND TO RESIDENTIAL LAND

WHEREAS, the County of Santa Cruz is among the most expensive housing markets in the nation, and the cost of residential land continues to rise; and

WHEREAS, the disparity between the value of residential land and non-residential land continues to grow wider; and

WHEREAS, this disparity in value puts pressure on non-residential land to be converted to residential use and development; and

WHEREAS, in the absence of adequate public benefits associated with the conversion of non-residential lands to residential uses, such conversions would be detrimental to the public welfare: 1) by reducing the limited number of existing locations available for other land uses which presently benefit the public welfare by serving the community's commercial, industrial, public facilities, and other needs; and 2) by further exacerbating the housing crisis through facilitating the development of new homes which do not address the needs of the community; and

WHEREAS, the public should benefit from the removal of non-residential land from non-residential use; and

WHEREAS, the pursuit and encouragement of adequate affordable housing alternatives is a high priority; and

WHEREAS, by requiring that such conversions resulting in 100 or more housing units incorporate at least 10% of the units at a price affordable to very low-income households as part of the required 40% affordable units on converted lands, such conversions would provide an additional benefit to the public welfare, offsetting the public detriment that would result from the loss of parcels available to support the community's non-residential needs; and

WHEREAS, the most appropriate benefit to the community is the provision of affordable housing as a part of any residential development resulting from the conversion of non-residential land to residential; and

WHEREAS, there is an expectation that applications will be filed for conversion of non-residential land to residential land; and

WHEREAS, an ordinance addressing the affordable housing component of a rezoning and General Plan amendment from non-residential to residential is appropriate to address the housing shortage in Santa Cruz County; and

WHEREAS, an amendment to the County Code and the Local Coastal Program is necessary to reflect this goal; and

WHEREAS, the Board of Supervisors has held a duly noticed public hearing and considered the proposed amendments, and all testimony and evidence received at the public hearing; and

WHEREAS, the proposed Local Coastal Program amendments and proposed amendments to the Santa Cruz County Code will be consistent with the policies of the General Plan and Local Coastal Program and other provisions of the County Code, are in compliance with the California Coastal Act, and will contribute to addressing the housing crisis throughout the community; and

WHEREAS, pursuant to the California Environmental Quality Act, an Initial Study was prepared for this action and a Negative Declaration issued by the Environmental Coordinator on July 27, 2005; and

WHEREAS, the Environmental Coordinator has made the determination that this revision does not constitute a new project and therefore the original Negative Declaration applies to this action.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors hereby finds that the ordinance amendments proposed serve a public benefit; and

BE IT FURTHER RESOLVED, that the Board of Supervisors adopts proposed amendments to County Code amending sections 13.10.215(a)(1) and 17.10.030(b)(5) to require a minimum 10% very low income affordability requirement for conversions of land from non-residential to residential that result in the creation of 100 or more units as set forth in Attachment 1 to Exhibit A, and the Environmental Coordinator's determination under the California Environmental Quality Act as set forth in Exhibit C, and incorporated herein by

CCC Exhibit 2
(page 2 of 3 pages)

reference, and be submitted to the California Coastal Commission as part of the Local Coastal Program Update.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, California, this 5th day of December, 2006 by the following vote:

AYES:	SUPERVISORS	Pirie, Wormhoudt, Beautz, Campos and Stone
NOES:	SUPERVISORS	None
ABSENT:	SUPERVISORS	None
ABSTAIN:	SUPERVISORS	None

MARK W. STONE

Chairperson

ATTEST: **GAIL T. BORKOWSKI**
Secretary

APPROVED AS TO FORM:

[Handwritten Signature]
County Counsel

Cc: County Counsel
Planning Department

STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ) SS
I, **SUSAN A. MAURIELLO**, County Administrative Officer and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of the resolution passed and adopted by and entered in the minutes of the said board. In witness whereof I have hereunto set my hand and affixed the seal of the said Board on 12/8 2006
SUSAN A. MAURIELLO, County Administrative Officer
By *[Handwritten Signature]* Deputy

CCC Exhibit 2
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