

CALIFORNIA COASTAL COMMISSION

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W17c



Prepared March 22, 2007 (for the April 11, 2007 hearing)

To: Commissioners and Interested Persons

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

Subject: Santa Cruz County LCP Major Amendment Number 2-06 Part 1 (McGregor Re-Designation/Rezoning) Proposed major amendment to the Santa Cruz County certified Local Coastal Program to be presented for public hearing and Commission action at the California Coastal Commission's April 11, 2007 meeting to take place at Fess Parker's Doubletree Hotel, 633 East Cabrillo Blvd., Santa Barbara, CA 93103.

SYNOPSIS

The County of Santa Cruz proposes to re-designate and rezone the 2.95-acre McGregor parcel (APN 038-081-36) from a visitor accommodations land use designation and zoning (with a proposed park overlay) to a residential land use designation and zoning (for 1.7 acres of the parcel) and a parks and recreation land use designation and zoning (for the remaining 1.25 acres of the parcel) (see Exhibits #4 & #5). The amendment also proposes to make textual changes to Sections 3.2.1 and 3.2.3a of the certified Seacliff Village Plan to reflect the proposed land use and zoning changes for the McGregor parcel and require that housing be affordable on the site (see Exhibit #6). The amendment also includes changes to the LCP Coastal Priority Site Chart to add as designated uses the proposed residential and park uses on the McGregor parcel, to make corrections regarding the parcel numbers listed in the chart, and to change the allowable use on parcel 038-081-35 from "affordable housing" to "residential uses" (see Exhibit #7). The purpose of the amendment is to allow for development of high-density affordable housing on 1.7 acres of the McGregor parcel and for development of a neighborhood park on the remaining 1.25 acres of the parcel, and to acknowledge that the development of a church, which is an allowable use in a residential zone, will take place on parcel 038-081-35.

SUMMARY OF STAFF RECOMMENDATION

Staff has reviewed the proposed Land Use Map and Seacliff Village Plan amendments for consistency with the Coastal Act. Staff has reviewed the proposed Zoning Map amendments for consistency with the amended Land Use Plan. The main issue raised by the proposed amendments is the conversion of coastal land from a high priority visitor accommodation use to a lower priority residential and park use. As discussed in detail below, Staff recommends **approval** of the County of Santa Cruz Local Coastal Program proposed Land Use Plan and Implementation Plan Major Amendment #2-06 (Part 1), **as submitted**.



California Coastal Commission
April 2007 Meeting in Santa Barbara

Staff: Susan Craig Approved by: Steve Monowitz

ANALYSIS CRITERIA

Santa Cruz County’s Local Coastal Program (LCP) was certified in 1983 and has been amended many times since then. The LCP consists of: the *General Plan and Local Coastal Program*, which functions as the Land Use Plan (LUP); and, the Coastal Implementation Plan (IP), which consists of several County Code chapters and sections. This proposed amendment is to the LUP and IP and was originally submitted on December 26, 2006. The amendment was filed as complete on March 16, 2006.

The County has organized and submitted this LCP amendment request in accordance with the standards for amendments to certified LCPs (Coastal Act Sections 30512(c), 30512.2, 30513, and 30514, and California Code of Regulations 13551 through 13553).

The proposed amendment affects the LUP & IP components of the County of Santa Cruz LCP. The standard of review for land use plan amendments is that they must be consistent with and adequate to carry out the Coastal Act; the standard of review for implementation amendments is that they must be consistent with and adequate to carry out the policies of the certified coastal land use plan.

ADDITIONAL INFORMATION

Further information on the submittal may be obtained from Susan Craig at the Central Coast District Office of the Coastal Commission at 725 Front Street, Suite 300, Santa Cruz, CA 95060, (831) 427-4863.

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I. Staff Recommendation – Motions and Resolutions

Staff recommends that the Commission, after public hearing, approve the proposed amendments as submitted. The Commission needs to make two motions to act on this recommendation:

1. Approval of Land Use Plan Major Amendment Number 2-06 (Part 1) as Submitted
Motion (1 of 2). I move that the Commission certify Land Use Plan Amendment (SCO-MAJ-2-06 Part 1) as submitted by the County of Santa Cruz.

Staff recommends a **YES** vote. Passage of this motion will result in certification of the land use plan amendment component 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.

***Resolution to Certify the Land Use Plan Amendment as Submitted.** The Commission hereby certifies Major Amendment SCO-MAJ-2-06 (Part 1) to the Land Use Plan of the County of Santa Cruz as submitted and adopts the findings set forth below on grounds that the land use plan 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 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 and mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the land use plan.*

2. Approval of Implementation Plan Major Amendment Number 2-06 (Part 1) as Submitted
Motion (2 of 2). I move that the Commission reject Major Amendment #2-06 (Part 1) to the County of Santa Cruz Local Coastal Program Implementation Plan as submitted.

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

***Resolution to Certify the Implementation Plan Amendment as Submitted:** The Commission hereby certifies Major Amendment #2-06 (Part 1) to the Implementation Plan of the County of Santa Cruz Local Coastal Program, as submitted, and adopts the findings set forth below on grounds that the Implementation Plan conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan amendment will meet the requirements of 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 Implementation Plan on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any*



significant adverse impacts on the environment that will result from certification of the Implementation Plan amendment as submitted.

II. Findings and Declarations

The Commission finds and declares as follows:

A. Background

The McGregor parcel is located at the northwest corner of the intersection of McGregor Drive and Searidge Road in the Seacliff area of Aptos (see Exhibits #1, #2, and #3 for location and parcels maps). A vacant parcel (038-081-35) is located to the north of the McGregor site, across Canterbury Drive. This vacant parcel has received discretionary approvals for the development of a church. Another parcel located to the north has recently been developed with affordable housing.

The McGregor parcel is located within the boundaries of the certified Seacliff Village Plan (see Exhibits #1 & #2) (the other two parcels mentioned in the above paragraph are not located within the Seacliff Village Plan boundaries). Seacliff Village is a small, predominantly commercial area located inland of Seacliff State Beach. The purpose of the Seacliff Village Plan is to provide a unifying theme and design aesthetic, as well as to emphasize the commercial core of the area for pedestrian-level visitor-serving facilities complementary to the Seacliff Village's special location adjacent to Seacliff State Beach and the Monterey Bay shoreline. The McGregor property was zoned for high density residential uses until 2003. In 2003, with the adoption of the Seacliff Village Plan, the parcel was re-designated C-V (Commercial-Visitor Accommodation, with a Proposed Parks and Recreation overlay) and rezoned to VA-D (Visitor Accommodation – Designated Park Site), which allows for either visitor accommodations, park uses, or both.

In the last election, a measure was defeated that would have raised money in the Seacliff neighborhood area for purchase of the entire McGregor parcel for park uses. Subsequently, an agreement was reached between Santa Cruz County and South County Housing (a non-profit affordable housing developer) to split the parcel, with one of the new resulting parcels being available for park use and the second parcel being available for development of affordable housing.

B. Amendment Description

The amendment proposes to re-designate the 2.95-acre McGregor parcel (APN 038-081-36) from C-V (Commercial-Visitor Accommodations with a proposed Parks and Recreation overlay) to R-UH (Residential – Urban High Density) for 1.7 acres of the parcel and to O-R (Parks and Recreation) for 1.25 acres of the parcel. The amendment proposes to rezone the 2.95-acre parcel from VA-D (Commercial-Visitor Accommodation/Proposed Park Site) to RM (Residential Multi-Family) for 1.7 acres of the parcel and to PR (Park) for 1.25 acres of the parcel. (The proposed land division into two



parcels is contingent upon approval of the amendments by the Commission; if the amendments are not approved, the County will not move forward with the land division.) Please see Exhibit #4 for the proposed changes to the Land Use Plan map and Exhibit #5 for the proposed changes to the Zoning Map.

The amendment proposes to make textual changes to the certified Seacliff Village Plan regarding the McGregor parcel to provide consistency with the proposed land use designation and zoning changes described in the paragraph above. This includes amendments that require housing on the McGregor site to be affordable. Please see Exhibit #6 for the proposed textual changes.

The amendment proposes changes to the LCP Coastal Priority Site chart (Figure 2-5) to remove visitor accommodations as a priority use for the McGregor parcel and add residential uses for 1.7 acres of the McGregor parcel and park uses for 1.25 acres of the McGregor parcel (see Exhibit #7 for the proposed changes to this chart). For parcel 081-34-35 (which is adjacent to the McGregor parcel but is not part of the Seacliff Village Plan; see Exhibits #2 & #3) the proposed amendment would change the designated priority use from “affordable housing” to “residential uses” to acknowledge that development of a church, which is an allowed use in residential zones, has been approved for this parcel. The amendment also proposes to correct three parcel numbers that are incorrectly listed in the Coastal Priority Site chart (Figure 2-5) of the LCP (typographical changes only).

C. Analysis of Land Use Plan Amendments

The following Coastal Act policies provide for visitor-serving and recreational opportunities along the coast:

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 30213 (in part): *Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.*

Section 30222: *The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.*

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

The amendment proposes to re-designate the 2.95-acre McGregor parcel (APN 038-081-36) from C-V (Commercial-Visitor Accommodations with a Proposed Parks and Recreation overlay) to R-UH



(Residential – Urban High Density) for 1.7 acres of the parcel and to O-R (Parks, Recreation, and Open Space) for 1.25 acres of the parcel (Exhibit #4). The amendment would make commensurate textual changes to the certified Seacliff Village Plan and to the LCP Coastal Priority Site chart to provide consistency with the new residential and parks/recreation/open space designations of this parcel and to ensure that the housing to be developed on the McGregor site will be affordable (i.e., meet the requirements of Section 50093 of the Health and Safety Code and Sections 65580 & 65590 of the Government Code) (see Exhibit #6 for proposed Seacliff Village Plan text changes and Exhibit #7 for proposed LCP Coastal Priority Site chart changes).

The McGregor parcel is located approximately 1/3 of a mile from the coast, directly adjacent to Highway 1. The current C-V (Commercial-Visitor Accommodation) designation allows for the development of visitor-serving uses such as hotels, motels, inns, lodges, recreational vehicle parks, hostels, commercial camping, as well as restaurants and retail shops. The proposed Parks and Recreation designation overlay was added because of the great interest from residents of the Seacliff neighborhood to have a community park on this site. The re-designation of 1.7 acres of the McGregor parcel from C-V to R-UH (Residential – Urban High Density) will disallow the above-stated visitor-accommodation uses on this portion of the parcel and instead allow for higher density residential development (10.9 to 17.4 units per acre). As stated above, the County has entered into a pre-development agreement with South County Housing to develop affordable housing on this portion of the McGregor parcel. The re-designation of 1.25 acres of the McGregor parcel from C-V to O-R (Parks and Recreation) will disallow visitor-accommodation use on this portion of the parcel and instead allow for development of a community park. Funding for development of the proposed park has been secured by the County. The specific components and design for the park will be defined through a future community design process and park development will be the subject of a future coastal development permit.

Coastal Act Section 30222 states that “...lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential...development...” Therefore, the Commission needs to carefully consider any change in designation from a visitor-serving accommodation use to a residential use.

The Seacliff Village Plan area contains three other parcels (which total approximately 14.3 acres) that are designated for a Visitor Accommodations use (see Exhibit #2). An application for a 12-unit hotel with a restaurant has been submitted to the County for one of these sites. The other two sites contain a transient trailer/RV park and a church (Poor Clare’s Site). Although there are no current plans for visitor accommodations on these two sites, the existing designations on these sites would allow for visitor accommodation uses in the future.

A variety of existing visitor accommodation facilities are located outside the Seacliff Village Plan boundaries but within a short distance of the McGregor parcel. The Best Western Seacliff Inn is located approximately 1,000 feet north of the McGregor parcel, on the other side of Highway 1. The Best Western Seacliff Inn has 149 guestrooms and an onsite restaurant. Additionally, Seacliff State Beach is



located approximately 1/3 of a mile south of the McGregor parcel (see Exhibit #1). Seacliff State Beach has 26 RV camping sites with full hookups and 26 RV camping sites without hookups, for a total of 52 RV camping sites. Furthermore, New Brighton State Beach is located less than two miles from the McGregor parcel (see Exhibit #1). New Brighton State Beach has 111 camp sites for RVs and tent camping. Taken together, these existing visitor-serving uses provide substantial accommodations opportunities for visitors to this section of the coast. Additionally, according to the Santa Cruz County Conference and Visitors' Council, the countywide occupancy rate for hotels and motels in 2006 was 59%, which means that, in general, there is a high level of hotel and motel availability in Santa Cruz County overall. Given the availability of existing visitor-serving accommodations and the fact that over 14 acres are designated for visitor accommodation uses in the vicinity of the McGregor parcel, the proposed land use plan amendment does not raise a conflict with the land use priorities and public access and recreation provisions of the Coastal Act.

Sections 30604(f)(g) of the Coastal Act provides for new affordable housing opportunities along the coast and states:

(f)(in relevant part) The commission shall encourage housing opportunities for persons of low and moderate income...

(g) The Legislature finds and declares that it is important for the commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the coastal zone.

The County has entered into a pre-development agreement with the non-profit South County Housing to develop approximately 20 to 30 affordable housing units on 1.7 acres of the McGregor parcel. Re-designation of 1.7 acres of the McGregor parcel to a high density residential use will provide new affordable housing opportunities in the coastal zone for low and moderate income persons, consistent with Sections 30604(f)(g).

The proposed amendment also changes the designated priority use for parcel 081-34-35 (see Exhibits #2 & #3) in the Coastal Priority Site chart of the LUP from "affordable housing" to "residential uses" (see Exhibit #7). This parcel is not located within the Seacliff Village Plan boundaries. A church, several youth buildings, and 93 parking spaces were approved by the County for this parcel in 2006. The proposed change to the chart acknowledges that the site is no longer available for development of affordable housing, but instead will allow for "residential uses" on this parcel (under the LCP, a church is an allowed use in residentially-zoned areas). The future development of affordable housing on the adjacent McGregor parcel will offset the loss of future affordable housing on parcel 081-34-35.

The proposed textual changes to the Seacliff Village Plan (Exhibit #6) and the LCP Coastal Priority Site chart (Exhibit #7) regarding the McGregor parcel require that the housing to be developed on the McGregor site be affordable. Thus, the re-designation of a portion of the McGregor parcel to allow for development of affordable housing is consistent with Coastal Act Sections 30604(f)(g).



D. Analysis of Implementation Plan (Zoning Ordinance) Amendments

The following Santa Cruz County LCP policies provide for public opportunities for access to and enjoyment of parks and open space areas:

LCP Policy 7.1.1: Designate on the General Plan and Local Coastal Program Land Uses and Facilities Maps those areas existing as, or suitable for, Parks, Recreation, and Open Space uses.

LCP Policy 7.1.2: Designate specific parcels proposed to be acquired in whole or part for future public park sites on the General Plan and Local Coastal Program Land Use Maps for each Planning Area.

LCP Policy 7.1.3: Allow low intensity uses which are compatible with the scenic values and natural setting of the county for open space lands which are not developable; and allow commercial recreation, County, State, and Federal parks, preserves, and biotic research stations, local parks, and passive open space uses for park lands which are developable.

LCP Policy 7.2.1: Locate neighborhood parks based on the general standard that most urban residences should be within one-half mile of a neighborhood park serving a population of 1,500 to 2,000 people. An area of 4-6 acres is considered adequate for a neighborhood park; or when combined with school grounds, 2-3 acres would be sufficient. It should be recognized that park acreage standards are set as long-term goals rather than set objectives to be met. Facilities need not be elaborate and should include children's play equipment, play lots, paved game areas, free play fields, and areas for passive recreation and restroom facilities. Designate specific sites for neighborhood parks throughout the urban portion of the County on the General Plan and Local Coastal Program Land User Maps.

LCP Policy 7.2.2: Consider the development of mini-park sites as an alternative to meet minimum park acreage requirements in the event that designated neighborhood park sites cannot be acquired.

LCP Policy 2.13.5 provides for visitor services within Coastal Special Communities and states:

Encourage the provision of visitor serving commercial services within Coastal Special Communities, as follows:

... (b) Seacliff Beach Area: Entire Special Community...

The amendment proposes to rezone the 2.95-acre McGregor parcel from VA-D (Commercial-Visitor Accommodation/Proposed Park Site) to RM (Residential Multi-Family) for 1.7 acres of the parcel and to PR (Park) for 1.25 acres of the parcel (see Exhibit #5). The purpose of the RM District is to provide for areas of residential uses with a variety of types of dwellings in areas which are currently developed to an urban density or which are inside the Urban Services Line or Rural Services Line and have a full range of urban services. The purpose of the PR district regarding local community parks is to recognize



existing park sites and to designate and protect those locations designated by the adopted County General Plan for local park use, and to provide development and operation standards for such uses.

The proposed zoning amendments involve potential changes to visitor serving uses. The current zoning of VA-D (Visitor Accommodations – Designated Park Site) allows for a variety of visitor accommodations uses, such as hotels, motels, hostels, etc. The D overlay denotes those parcels that have been designated in whole or part by the County General Plan/LCP to be acquired and/or developed for future neighborhood, community or regional public recreational facilities.

The rezoning of the McGregor parcel will eliminate lodging as an allowable use. However, as discussed in the “Land Use Plan Amendments” section above, the Seacliff area has a number of existing visitor-accommodations, which consist of both low cost and higher cost options, as well as over 14 acres designated and zoned for visitor-serving development. These options, including the Best Western Seacliff Inn, the RV campground at Seacliff State Beach, and the RV and tent camping campground at New Brighton State Beach, will continue to provide visitor accommodation uses in this area of Santa Cruz County. Additionally, according to the Santa Cruz County Conference and Visitors’ Council, the countywide occupancy rate for hotels and motels in 2006 was 59%, which means that, in general, there is a high level of hotel and motel availability in Santa Cruz County overall. Thus, the proposed zoning amendments do not raise a conflict with LCP Policy 2.13.5 regarding providing for visitor services within coastal special communities.

Also, the rezoning of 1.25 acres of the McGregor parcel to PR (Parks and Recreation) is consistent with the existing Designated Park Site zoning overlay and will provide consistency with the Parks and Recreation policies of the LCP, in particular with LCP Policy 7.2.2 regarding the development of mini-park sites.

Furthermore, the rezoning of 1.7 acres of the McGregor site to RM (Residential Multi-Family) is adequate to implement the proposed R-UH (Residential – Urban High) LUP designation for this portion of the McGregor parcel. The rezoning of 1.25 acres of the McGregor site to PR (Park) is adequate to implement the proposed O-R (Parks and Recreation) LUP designation for this portion of the McGregor parcel.

In conclusion, the proposed amendments regarding residential and parks and recreation uses are appropriate to implement the underlying land use designations and are consistent with the amended land use plan. Therefore, the Commission finds that the proposed Implementation Plan amendment, as submitted, is consistent with the amended Land Use Plan and is adequate to carry out its provisions.

III. 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. Pursuant to CEQA § 21080.9, local governments are exempt from the requirement to which they would otherwise be subject to undertake environmental analysis of proposed LCP



amendments, although, as in this case, 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 County as lead agency issued a Negative Declaration with No Mitigations in connection with these LCP amendments and the minor land division. This staff report has discussed the relevant coastal resource issues with the proposal. All public comments received to date have been addressed in the findings above. The above findings are incorporated herein in their entirety by reference. Pursuant to CEQA Guidelines (Title 14, CCR) § 15252(b)(2), the Commission finds that the LCP amendments, as submitted, will not have significant effects on the environment, consistent with the California Environmental Quality Act.

