

**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
PHONE: (831) 427-4863  
WEB: WWW.COASTAL.CA.GOV



# F13b

**Prepared March 21, 2025 for April 11, 2025 Hearing**

**To:** Commissioners and Interested Persons

**From:** Dan Carl, Central Coast District Director  
Nolan Clark, Coastal Planner

**Subject: Santa Cruz County LCP Amendment Number LCP-3-SCO-24-0067-3 (SB 9)**

---

## **SUMMARY OF STAFF RECOMMENDATION**

Santa Cruz County proposes to amend its Local Coastal Program (LCP) Implementation Plan (IP) by adding IP Sections 13.10.327 (Two-unit residential developments) and 13.10.328 (Urban lot splits) to implement the provisions of Senate Bill (SB) 9 in the coastal zone. Broadly, the proposed amendment would allow either: 1) the subdivision of single-family residentially zoned parcels into two parcels and the construction of up to two residential units on each of the created lots; or, 2) up to four residential units total on one lot (with two primary units and two accessory dwelling units) when no subdivision occurs. In other words, a lot that previously only allowed one residence may now allow a total of four units. In these ways, SB 9 seeks to intensify the amount of allowed residential development within urbanized areas zoned for single-family residential use in California as a means of helping to address the state's housing – particularly affordable housing – crisis, a crisis that is particularly acute in the coastal zone, and perhaps even more acute in Santa Cruz County, which has one of the most expensive housing markets in the entire country. In general, the expected outcome of such a program is residential densification and intensification of use in such single-family zoned urban residential areas.

Single-family residential zoning comprises the bulk of many jurisdictions' coastal zone, and thus these areas are often seen as an opportunity where increased density can help to meet housing goals, which is exactly what SB 9 envisions. To be clear, SB 9's approach in that respect is not so different from the Coastal Act requirement to direct new development into existing developed areas with infrastructure and facilities able to handle it, including as a means of avoiding coastal resource impact issues in other less urbanized – and by extension typically more resource rich – areas. At the same time, however, not every single-family residential zoned urban area is homogeneously free of coastal resource impact concerns, which are handled by the Coastal Act's resource protection provisions. And SB 9 explicitly only applies in the coastal zone only as long as the development that it accommodates is consistent with the Act (and by extension LCPs). Thus, the focus of SB 9 LCP amendment analysis is making sure that its implementation will not lead to significant coastal resource impacts.

## **LCP-3-SCO-24-0067-3 (SB 9)**

In this case, the vast majority of new residential development that would be fostered by the proposed amendment would best be considered 'infill' development in areas where it is not expected to raise significant coastal resource issues, and the applicable LCP provisions there should be sufficient to address any latent issues that remain (e.g., through required setbacks, heights, square footages, etc.). However, there are three specific areas where densification of this sort could lead to significant adverse coastal resource impacts, namely in terms of development in sensitive habitats, in more hazardous shoreline areas, and in the County's more rural and agricultural areas. The County's proposal attempts to disallow SB 9 densification within these areas to a certain degree, but it appears to inadvertently limit such application, including to apply the prohibition to blufftop setback areas but not to the shoreline areas seaward of the blufftop (which are arguably even more hazardous), and allowing for mitigations to make a site eligible. Fortunately, relatively minor modifications can clarify these provisions in a way that the densification proposed does not occur within sensitive habitats, hazardous shoreline areas, or within more rural and agricultural areas where significant coastal resource issues are raised, but where such densification is otherwise fostered elsewhere in the County's coastal zone. Importantly, the areas where this densification would not apply are extremely limited relative to the areas to which such provisions would apply, and thus even as modified it is clear that the proposed LCP amendment would provide a valuable LCP tool to help address the housing shortage in Santa Cruz County in a way that also protects significant coastal resources.

In sum, as modified the proposed amendment offers another new LCP tool to help encourage additional housing in a way where it can be accommodated while also avoiding any potentially significant coastal resource impacts. Staff recommends that the Commission approve the amendment as modified, where the County has indicated it is in agreement with the staff recommendation. The required motions and resolutions are found on page 4 below.

### **Staff Note: LCP Amendment Action Deadline**

This proposed LCP amendment was filed as complete on February 11, 2025. The proposed amendment affects LCP's IP, and the 60-working-day action deadline is May 8, 2025. Thus, unless the Commission extends the action deadline (it may be extended by up to one year), the Commission has until May 8, 2025 to take a final action on this LCP amendment.

Therefore, if the Commission fails to take a final action in this case (e.g., if the Commission instead chooses to postpone/continue LCP amendment consideration), then staff recommends that, as part of such non-final action, the Commission extend the deadline for final Commission action on the proposed amendment by one year. To do so, staff recommends a YES vote on the motion below. Passage of the motion will result in a new deadline for final Commission action on the proposed LCP amendment. The motion passes only by an affirmative vote of a majority of the Commissioners present.

***Time Extension Motion:*** *I move that the Commission extend the time limit to act on Santa Cruz County Local Coastal Program Amendment Number LCP-3-SCO-24-0067-3 to May 8, 2026, and I recommend a yes vote.*

**TABLE OF CONTENTS**

**1. MOTIONS AND RESOLUTIONS ..... 4**  
A. Deny the IP Amendment as submitted ..... 4  
B. Certify the IP Amendment with Suggested Modifications ..... 4

**2. SUGGESTED MODIFICATIONS..... 5**

**3. FINDINGS AND DECLARATIONS ..... 5**  
A. Senate Bill 9 ..... 5  
B. Description of Proposed LCP amendment ..... 7  
C. Evaluation of Proposed LCP Amendment ..... 8  
D. California Environmental Quality Act (CEQA)..... 17

**EXHIBITS**

- Exhibit 1: Proposed IP Amendment
- Exhibit 2: Proposed IP Amendment with Suggested Modifications
- Exhibit 3: SB 9 Eligibility Map

**CORRESPONDENCE**

## **1. MOTIONS AND RESOLUTIONS**

Staff recommends that the Commission, after public hearing, approve the proposed LCP amendment with suggested modifications. The Commission needs to make two motions on the IP amendment in order to act on this recommendation.

### **A. Deny the IP Amendment as submitted**

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

***Motion:** I move that the Commission reject the Implementation Plan Amendment LCP-3-SCO-24-0067-3 as submitted by Santa Cruz County, and I recommend a yes vote.*

***Resolution to Deny:** The Commission hereby denies certification of LCP Amendment Number LCP-3-SCO-24-0067-3 as submitted by Santa Cruz County and adopts the findings set forth below on grounds that the Implementation Plan Amendment as submitted does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan Amendment as submitted.*

### **B. Certify the IP Amendment with Suggested Modifications**

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

***Motion:** I move that the Commission certify LCP Amendment Number LCP-3-SCO-24-0067-3 as submitted by Santa Cruz County if it is modified as suggested in this staff report, and I recommend a yes vote.*

***Resolution to Certify:** The Commission hereby certifies LCP Amendment Number LCP-3-SCO-24-0067-3, if modified as suggested, and adopts the findings set forth below on grounds that the Implementation Plan Amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of 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 and mitigation measures that would substantially lessen any significant adverse impacts on the environment.*

## **2. SUGGESTED MODIFICATIONS**

The Commission hereby suggests the following modifications to the proposed Implementation Plan amendment, which is necessary to make the requisite Land Use Plan consistency findings. If Santa Cruz County accepts the suggested modification within six months of Commission action (i.e., by October 11, 2025), by formal resolution of the Board of Supervisors, 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 underline format denotes proposed text to be deleted/added by the County. Red text in ~~double cross-out~~ and double underline denotes text to be deleted/added by the Commission. **See Exhibit 2 for specific suggested modifications in context.**

## **3. FINDINGS AND DECLARATIONS**

### **A. Senate Bill 9**

The State of California is experiencing a critical shortage of affordable housing. In recognition of this shortage, the state Legislature has passed numerous laws in recent years aimed at increasing construction of housing units, and preferably affordable units. State Senate Bill (SB) 9, which took effect January 1, 2022, is one of those new state laws,<sup>1</sup> and it established a series of new regulations to allow for ministerial approval (i.e., without discretionary review or hearing) of two residential units on one parcel and/or urban lot splits<sup>2</sup> on parcels located in urban single-family residential zones. Broadly speaking, SB 9 seeks to intensify the amount of allowed residential development within urbanized areas zoned for single-family residential use in California as a means of helping to address the state's housing – particularly affordable housing – crisis, a crisis that is particularly acute in the coastal zone, and perhaps even more acute in Santa Cruz County, which has one of the most expensive housing markets in the entire country. This is specifically achieved by either: 1) the subdivision of single-family residentially zoned parcels into two parcels and the construction of up to two residential units on each of the created lots; or, 2) up to four residential units total on one lot (with two primary units and two accessory dwelling units) where no subdivision occurs. In other words, a lot that previously only allowed one residence may now allow a total of four units, if applicable criteria are met. The intent is to facilitate additional housing opportunities in urban areas previously zoned solely for one residential unit. In many coastal jurisdictions, such single-family zoning comprises the bulk of its coastal zone area, and thus these areas represent places of opportunity for residential densification that could help meet affordable and market rate housing goals.

---

<sup>1</sup> SB 9 added Government Code Sections 65852.21 and 66411.7, and amended Government Code Section 66452.6.

<sup>2</sup> Limited to lot splits that create no more than two new parcels of approximately equal area, where one parcel cannot be smaller than 40% of the original parcel proposed for subdivision, and where both newly created parcels cannot be smaller than 1,200 square feet (and a local agency may adopt a smaller minimum lot size).

### **LCP-3-SCO-24-0067-3 (SB 9)**

SB 9 includes specific criteria, and provides that local governments may impose their own additional objective standards so long as these standards do not have the effect of physically precluding the construction of up to two units of at least 800 square feet each. The specific criteria in SB 9 include, but are not limited to:

- Off-street parking for new residential units is not required if the units are located within one-half mile of a high-quality transit corridor or within one block of a car share vehicle.<sup>3</sup>
- New residential units are prohibited within high fire hazards, designated historic properties, and affordable housing units.
- New residential units cannot be used as short-term rentals (i.e., rentals must be for a term longer than 30 days).
- Accessory dwelling units (ADUs) or junior ADUs (JADUs) may be prohibited on parcels where both a second unit is added and the lot is split.
- New residential units and/or lot splits may be denied if they would have an adverse impact on public health and safety or the physical environment, and for which there is no feasible mitigation.
- Lot splits must also comply with the Subdivision Map Act, except as otherwise expressly provided in SB 9, and applicants must occupy one of the housing units as their principal residence for a minimum of 3 years.

Importantly, and notably for coastal resource purposes, SB 9 includes a Coastal Act 'savings clause' that states that it shall not be construed to supersede or lessen the effect of the Coastal Act, except that local governments may not hold public hearings for new residential units and/or lot splits.<sup>4</sup> This means that, aside from CDP public hearing requirements, projects utilizing SB 9's provisions must still be consistent with the Coastal Act and/or Local Coastal Programs (LCP) implementing the Coastal Act. Put another way, SB 9 explicitly only applies in the coastal zone as long as the development that it accommodates is consistent with the Act (and by extension LCPs). Thus, the focus of SB 9 LCP amendment analysis is making sure that its implementation will not lead to significant coastal resource impacts.

---

<sup>3</sup> Where "high-quality transit corridor" is defined as a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours (see Public Resources Code Section 21155(b)), and "car share vehicle" is defined as a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization and provides hourly or daily service (see Vehicle Code Section 22507.1(d)).

<sup>4</sup> The SB 9 public hearing limitation does not extend to the Coastal Commission, and the Commission can hold public hearing for new residential units and/or lots, whether for projects located in the Commission's original CDP jurisdiction, a Commission consolidated CDP, or for projects appealed to the Commission from a local government CDP action.

## **LCP-3-SCO-24-0067-3 (SB 9)**

### **B. Description of Proposed LCP amendment**

Santa Cruz County proposes to amend the Implementation Plan (IP) component of its LCP to add regulations to implement the provisions of SB 9. Specifically, the County proposes to amend IP Chapter 13.10 by adding SB 9-related provisions, including the following:

- SB 9 (i.e., Government Code Sections 65852.21 and 66411.7) would govern over the proposed LCP provisions in the case of a conflict.
- SB 9 development would be allowed to be located within the Special Use (SU),<sup>5</sup> Single-Family Residential (R-1), Residential Agricultural (RA), Single-Family Ocean Beach Residential (RB), and Rural Residential (RR) zoning districts.
- SB 9 development would not require a public hearing.
- SB 9 residential units would be required to comply with setback, height, lot coverage, and floor area ratio standards applicable to the base residential zoning district where the units are located, except that side and rear-yard setbacks could be no more than a maximum of 4 feet.
- SB 9 development would be prohibited within the LCP-required 100-year coastal blufftop erosion stability envelope, established without the reliance on any proposed or existing shoreline armoring.<sup>6</sup>
- SB 9 development would be prohibited within environmentally sensitive habitat areas (ESHA) and their required setbacks/buffers.<sup>7</sup>
- SB 9 development would be allowed within 100-year flood hazard areas and floodways only if the flood hazard is adequately mitigated.
- SB 9 development would be allowed within State Response Areas,<sup>8</sup> including those areas considered moderate, high, or very high fire severity zones, only if the area is not a Critical Fire Hazard Area and risks are appropriately mitigated.
- SB 9 development would be allowed within Watsonville Municipal Airport Safety Zones only if it complies with the standards and maximum densities allowed therein.

---

<sup>5</sup> A parcel within the SU zoning district must have an underlying single-family residential LCP Land Use Plan (LUP) land use designation in order to be eligible.

<sup>6</sup> Although located in a proposed section that refers to applying “state and local mitigation” to such areas to be eligible, the actual proposed text is clear, and County staff confirms that the intent is a prohibition in these areas.

<sup>7</sup> See footnote 6.

<sup>8</sup> State Responsibility Areas (SRA) are recognized by the California Board of Forestry and Fire Protection as areas where Cal Fire is the primary emergency response agency.

## LCP-3-SCO-24-0067-3 (SB 9)

In sum, the amendment largely tracks the requirements of SB 9 itself, but with the specific coastal zone and Santa Cruz coastal resource context applied. See **Exhibit 1** for the proposed IP amendment text.

### C. Evaluation of Proposed LCP Amendment

#### *Standard of Review*

The proposed amendment affects the LCP's IP, and the standard of review for IP amendments is that they must be consistent with and adequate to carry out the certified LUP. Should there be any question of interpretation related to these LUP provisions, the LCP explicitly requires that the Coastal Act govern, stating:<sup>9</sup>

*In any case in which the interpretation or application of an LCP policy is unclear, as that policy may relate to a particular development application or project, the application or interpretation of the policy which most clearly conforms to the relevant Coastal Act policy shall be utilized.*

Similarly, should there be any question of appropriate LCP interpretation, courts have also previously held that LCP provisions must be understood in relation to the relevant Coastal Act section or sections from which a specific LCP provision derives its authority.<sup>10</sup> As relevant here, the Coastal Act only allows new development where it will not rely on shoreline armoring (see Section 30253)<sup>11</sup> and only allows resource-dependent development (e.g., habitat restoration, scientific research/education, low-impact interpretive trails, etc.) in ESHA that doesn't in any way lead to significant disruption of ESHA habitat values (see Section 30240).<sup>12</sup>

#### *Applicable Land Use Plan Provisions*

Broadly, the LUP seeks to provide for infill development in urban areas with adequate services/facilities and in a manner that protects and preserves coastal resources, similar to the Coastal Act (see Section 30250).<sup>13</sup> In addition, the LUP contains objectives,

---

<sup>9</sup> See LUP Chapter 1, "Interpretation" Section.

<sup>10</sup> See, for example, *McAllister v. Cal. Coastal Com'n* (2008) 169 Cal.App.4th 912, 930-932 (discussed further below), which held that: "Although local governments are responsible for drafting the 'precise content' of their local coastal programs, those subdivisions must, at a minimum, conform to and not conflict with the resource management standards and policies of the [Coastal] Act," and as such, any ambiguities must be interpreted as being consistent with the Coastal Act standards.

<sup>11</sup> Section 30253 states, in applicable part, that "**New development shall...Assure stability and structural integrity**, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area **or in any way require the construction of protective devices** that would substantially alter natural landforms along bluffs and cliffs" (emphasis added).

<sup>12</sup> Section 30240 states that "(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. (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."

<sup>13</sup> Section 30250 states, in applicable part, that "New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate

### **LCP-3-SCO-24-0067-3 (SB 9)**

policies, and implementation strategies that specifically encourage a mix of housing types clustered together in existing developed neighborhoods, for example:

***LUP Policy BE-1.1.4: Siting New Development.*** Require new urban residential, commercial, or industrial development to locate within, next to, or near existing developed areas with adequate public services and where development will not have significant adverse effects on agricultural land or natural resources.

***LUP Objective BE-2.1: Urban Residential Designations.*** To offer urban residential land use designations that allow for a diverse range of single and multifamily housing types, with higher-density development along multimodal corridors, within activity centers, and on key opportunity sites.

Additionally, the LUP includes provisions specifically protecting coastal bluffs and requiring that development be safe from coastal hazards risk through appropriate setbacks (for a minimum 100 years of site stability, or a minimum of 25 feet from the bluff edge, whichever is a greater distance) without shoreline armoring, for example:

***LUP Policy 6.2.10: Site Development to Minimize Hazards.*** Require all developments to be sited and designed to avoid or minimize hazards as determined by the geologic hazards assessment or geologic and engineering investigations.

***LUP Policy 6.2.12: Setbacks from Coastal Bluffs.*** All development activities, including those which are cantilevered, and non-habitable structures for which a building permit is required, shall be set back a minimum of 25 feet from the top edge of the bluff. A setback greater than 25 feet may be required based on conditions on and adjoining the site. The setback shall be sufficient to provide a stable building site over the 100-year lifetime of the structure, as determined through geologic and/or soil engineering reports. The determination of the minimum 100-year setback shall be based on the existing site conditions and shall not take into consideration the effect of any proposed shoreline or coastal bluff protection measures.

***LUP Policy 6.2.15: New Development on Existing Lots of Record.*** Allow development activities in areas subject to storm wave inundation or beach or bluff erosion on existing lots of record, within existing developed neighborhoods, under the following circumstances: (a) A technical report (including a geologic hazards assessment, engineering geology report and/or soil engineering report) demonstrates that the potential hazard can be mitigated over the 100-year lifetime of the structure. Mitigations can include, but are not limited to, building setbacks, elevation of the structure, and foundation design; (b) Mitigation of the potential hazard is not dependent on shoreline or coastal bluff protection structures, except on lots where both adjacent parcels are already similarly protected; and (c) The owner records a Declaration of Geologic Hazards on the

---

it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.”

### **LCP-3-SCO-24-0067-3 (SB 9)**

*property deed that describes the potential hazard and the level of geologic and/or geotechnical investigation conducted.*

***LUP Policy 6.2.17: Prohibit New Building Sites in Coastal Hazard Areas.*** Do not allow the creation of new building sites, lots, or parcels in areas subject to coastal hazards, or in the area necessary to ensure a stable building site for the minimum 100-year lifetime, or where development would require the construction of public facilities or utility transmission lines within coastal hazard areas or in the area necessary to ensure a stable building site for the minimum 100-year lifetime.

Next, the LUP seeks to protect sensitive habitats by allowing only resource-dependent uses within such areas, requiring development otherwise to be adequately set back, requiring that all development avoid significant disruption of habitats, and requiring that any impacts be commensurately mitigated, for example:

***LUP Policy ARC-3.1.3: Environmentally Sensitive Habitat Area (ESHA).*** [in relevant part] Evaluate sites proposed for development within the coastal zone for the presence of ESHA...Areas confirmed to be ESHA may only be developed for uses dependent on such resources in these habitats within the Coastal Zone, unless other uses are: (1) Consistent with sensitive habitat protection policies and serve a specific purpose beneficial to the public; (2) Determined through environmental review that any adverse impacts on the resource will be completely mitigated and there is no feasible less-damaging alternative; and (3) Legally necessary to allow for a reasonable economic use of the land, and there is no feasible less-damaging alternative.

***LUP Policy ARC-3.1.6: Development Within Sensitive Habitats.*** Sensitive habitats shall be protected against any significant disruption of habitat values, and any proposed development within or adjacent to these areas must maintain or enhance the functional capacity of the habitat. Reduce in scale, redesign, or, if no other alternative exists, deny any project that cannot sufficiently mitigate significant adverse impacts on sensitive habitats unless approval of a project is legally necessary to allow a reasonable use of the land.

***LUP Policy ARC-3.3.3: Activities Within Riparian Corridors and Wetlands.*** Development activities, land alteration, and vegetation disturbance within riparian corridors and wetlands and required buffers shall be prohibited unless an exception permit is granted per the Riparian Corridor and Wetlands Protection ordinance. As a condition of a riparian exception permit, require evidence of compliance with applicable permit or review requirements of the U.S. Army Corps of Engineers, California Department of Fish and Wildlife, and other federal or state agencies that may have regulatory authority over activities within riparian corridors and wetlands.

Finally, the LUP serves to protect and preserve agricultural lands within the County's more rural coastal zone, including through preventing the conversion of agricultural lands to non-agricultural uses, and by reducing conflicts caused by residential development on or in close proximity to agricultural lands, for example:

## **LCP-3-SCO-24-0067-3 (SB 9)**

**Objective ARC-1.1: Preserve Commercial Agricultural Land.** *To maintain for exclusive agricultural uses those lands identified on the County Agricultural Resources Map as best suited to the commercial production of food, fiber and ornamental crops and livestock, and to prevent conversion of commercial agricultural lands to non-agricultural uses that are not associated with farming and/or are necessary to support the agricultural economy. To recognize that agriculture is a priority land use and to resolve policy conflicts in favor of preserving and promoting agriculture on designated commercial agricultural lands.*

**LUP Policy ARC-1.4.1: Agricultural Buffers Required.** *[in relevant part] In order to prevent or minimize potential land use conflicts, nonagricultural habitable uses such as residences (excluding farmworker housing), habitable accessory structures and non-agricultural commercial businesses that are located on land adjacent to a parcel in the Commercial Agriculture or Agricultural Preserve zone districts are required to provide a 200-foot buffer setback to the property line of the adjacent commercial agricultural parcel...*

**LUP Policy ARC-1.4.5: Siting to Minimize Conflicts.** *Structures shall be sited to minimize possible conflicts with productive commercial agricultural lands in the area. Where structures are located on commercial agricultural land, the structures shall be sited in such a manner to remove as little land as possible from production while still meeting supportable project objectives.*

### **Consistency Analysis**

Generally speaking, SB 9 represents a fairly significant shift in traditional land use planning as it relates to single-family residential zoning, which historically has stood for one residential unit per lot. This shift reflects a growing awareness that the application of single-family zoning to broad swaths of what is typically the most developable land in our communities leaves little land left for additional growth when such growth is needed, and instead commits these areas to traditional single-family homes, often on larger lots. Such a shift is consistent with recent planning and legislation trends (including the recent encouragement by the State for accessory dwelling units in single-family residential areas) that aim to respond to growing housing shortages in certain areas of the country, California in particular. In California's coastal areas, the housing shortages and inequities are particularly acute given the high cost of land and favorable living conditions. Housing, like most forms of development, can run up against important and protected coastal resources, including public recreational areas, sensitive habitats, agricultural lands, and coastal visitor-serving areas. This potential tension in the coastal zone between housing development and protection of coastal resources can be avoided, and both priorities advanced, by harmonizing State laws such as SB 9 with Coastal Act and LCP coastal resource protection requirements. In this case, most areas of the County's coastal zone appear to be suitable for the type of additional development that would be facilitated, especially its many urbanized areas with adequate services and generally few to no coastal resource issues.

In general, the expected outcome of the proposed amendment is residential densification and intensification of use in these urban single-family residentially zoned

### **LCP-3-SCO-24-0067-3 (SB 9)**

areas. Such an approach is aligned with Coastal Act and LCP direction to funnel new development into existing developed areas with infrastructure and facilities able to handle it,<sup>14</sup> including as a means of avoiding coastal resource impact issues in other less urbanized – and by extension typically more resource rich – areas. And it also attempts to make better use of the coastal zone’s single-family residential areas, recognizing that conventional single-family residential land use practices and development, especially as it relates to large lot single-family development, can limit the amount of housing stock that can be developed. Thus, SB 9 goals are generally in harmony with Coastal Act/LCP goals that foster infill development, and in particular it attempts to do so by providing tools that can help to change long-standing practices associated with single-family residential development, and to make better collective use of such residential areas in a way that can accommodate more housing. In the state’s current housing crisis, providing more housing opportunities in already developed communities is key, particularly in the urban coastal zone where not doing so may put more pressure to build housing in outlying/peripheral areas that could lead to concerns regarding more sensitive rural, agricultural, and natural lands.

At the same time, however, not every single-family residential zoned urban area is homogeneously free of coastal resource impact concerns, which is why application of Coastal Act and LCP resource protection provisions remains important. In this case, the vast majority of new residential development that would be fostered by the proposed amendment would best be considered ‘infill’ development in areas where it is not expected to raise significant coastal resource issues, and the applicable LCP provisions there should be sufficient to address any latent issues that remain (e.g., through required setbacks, heights, square footages, etc.). In fact, the areas in the County where SB 9 development would be allowed are primarily urban in nature and essentially ‘built out’, and the proposed provisions largely track SB 9 limitations (associated with avoiding historic properties, high fire hazard zones, affordable housing units, short-term rental use, and parcels less than 1,200 square feet in size). The amendment also provides additional specificity related to development standards, ensuring that all new development comply with the height, lot coverage, and maximum building area standards for single-family residential zones (with some reductions in certain yard setbacks to accommodate the envisioned densification of housing). And finally, the amendment makes clear that, within the coastal zone, such development must still comply with the Coastal Act and applicable LCP policies, including in terms of CDP requirements. Thus, at a broad level, providing for additional infill development within the County’s single-family residentially zoned neighborhoods should not raise significant coastal resource issues, and any issues can be appropriately addressed by fairly standard LCP requirements (e.g., setbacks, heights, coverage, etc.).

However, there are three specific areas where densification of the sort envisioned could lead to significant adverse coastal resource impacts, namely in terms of development in sensitive habitats, in hazardous shoreline areas, and in rural and agricultural areas. The County’s proposal attempts to disallow SB 9 densification within these areas to a certain degree, but it appears to inadvertently limit such application, including to apply the prohibition to blufftop setback areas but not to the shoreline areas seaward of the

---

<sup>14</sup> See, for example, Coastal Act Section 30250 and LUP Policy BE-1.1.4.

### **LCP-3-SCO-24-0067-3 (SB 9)**

blufftop (which are arguably even more hazardous), and allowing for mitigations to make a site eligible.

With respect to coastal hazards, although the amendment as proposed does require that all SB 9 development (including both additional units and urban lot splits) be located outside (i.e., inland) of the LCP-required 100-year site stability setback from the top edge of a coastal bluff without the reliance on any existing or proposed shoreline armoring, the language and framing of this requirement is unclear as proposed for several reasons. First, the proposed amendment establishes what can be understood as three types of parcels under the SB 9 construct: 1) those parcels ineligible for SB 9 development due to site-specific constraints, including those listed above pursuant to SB 9 (e.g., in historic districts, within critical fire hazard areas, etc.) (see proposed IP Section 13.10.327(C)(3) in **Exhibit 1**); 2) those parcels eligible for SB 9 development only when sufficient state and local mitigation is included in the development proposal (e.g., in State-identified fire response areas, in County-identified airport safety zones, within the 100-year flood plain, etc.) (see proposed IP Section 13.10.327(C)(4) in **Exhibit 1**); and, 3) those parcels eligible for SB 9 development without any restrictions other than those already required by SB 9 and the LCP (e.g., a single-family residentially zoned parcel in an urban infill area). Within this construct, the language that provides the requirement to be sited outside of the 100-year site stability setback from the top edge of a coastal bluff is proposed as a scenario requiring mitigation (i.e., the second type of area in the list above). However, the LUP is clear that no development, including lot splits that might create buildable areas, is allowed on blufftops seaward of the minimum required 100-year setback line (see LUP Policy 6.2.12), where this requirement is intended to allow for development that will not lead to shoreline armoring and its attendant impacts on beaches and shoreline area resources. As a result, the proposed IP language is inconsistent with the LUP on this point (see, again, LUP Policy 6.2.12). Fortunately, this can be readily rectified by clarifying the language and moving it to the ineligible list (see page 2 of **Exhibit 2**), thus bringing the proposed IP into consistency with the LUP on this point.<sup>15</sup>

Second, while the proposed amendment, as modified above, does well to ensure that allowable SB 9 development sited on coastal bluffs must meet safety setbacks without reliance on shoreline armoring, the amendment does not consider several locations along the County's shoreline where development is currently sited at beach level seaward of the coastal bluff,<sup>16</sup> which is potentially an even more precarious location for new development, and certainly for denser residential development. In such locations, residential development is sandwiched between an eroding coastal bluff and the beach/ocean. This pattern of development has resulted in a situation where many private homes, public roads, and public infrastructure have historically been impacted by both wave action (during high tide and large storm and swell events) as well as by

---

<sup>15</sup> Again, as described above, County staff confirms that the intent was to have a prohibition in these areas, so this helps to more clearly implement the County's objectives.

<sup>16</sup> Within the County's Santa Cruz and Watsonville Census Urban Areas (where SB 9 development is allowed pursuant to State law), these areas consist of beach level residential parcels at Potbelly Beach Road, Las Olas Drive, Beach Drive, Via Gaviota, and Oceanview Drive, each of which pre-date the Coastal Act.

### **LCP-3-SCO-24-0067-3 (SB 9)**

bluff sloughing, and even landslides, including during heavy rain and runoff events. Put another way, these beach-level parcels can face coastal hazards from both inland and seaward forces, and an increase in residential density in these areas would only expose more residents and development to significant risk. As proposed, these IP provisions that would facilitate SB 9 densification and development on these beach level areas and would be inconsistent with the LUP (see, LUP Policies 6.2.10 and 6.2.17).

Fortunately, the LUP speaks specifically to this type of scenario, and these issues can be easily remedied. Notably, LUP Policy 6.2.10 requires that all development be sited and designed to avoid or minimize hazards, and LUP Policy 6.2.17 specifically prohibits “the creation of new building sites, lots, or parcels in areas subject to coastal hazards.”<sup>17</sup> In other words, the LCP requires that all development avoid and minimize risk, and also prohibits the creation of new building sites, lots, or parcels in coastal hazards areas, including sites proposed as locations for new development, in order to do so. And while in most cases development proposed pursuant to SB 9 will serve the statewide and local goals of densification and providing mixed housing types for all income levels in urban areas that face no such risk, allowing SB 9 development in these beach-level areas, where coastal hazards risks are inherently maximized, would only place more individuals and residential development at risk, and usually at great private and public expense. Therefore, to achieve LUP consistency, and to appropriately align state climate adaptation policy and state housing policy, Coastal Hazards Areas,<sup>18</sup> including seaward of and on/adjacent to coastal bluffs (except in cases where the 100-year setback can be met as discussed above), need to be added to the ineligible list as well (see page 2 of **Exhibit 2**).

As to ESHA, the proposed amendment language is similarly unclear. First, proposed IP Section 13.10.327(C)(4)(b) is specific to “Coastal bluffs within the Coastal Zone” and requires, in addition to the 100-year stability setback described above, that all SB 9 development meet the requirements for allowing only resource dependent uses within ESHA. In effect, this should prohibit SB 9 development in ESHA, as residential development is not a resource dependent use in the context of ESHA.<sup>19</sup> However, one could interpret this section of the proposed amendment as only pertaining to coastal bluffs within the coastal zone that are also ESHA. The LUP requires that all ESHA be protected, including through proper setbacks and buffers from sensitive habitat, riparian corridors, and wetlands, regardless of whether it is located on a coastal bluff (and, in fact, most of the County’s coastal zone ESHA is not located on coastal bluffs). Thus, as

---

<sup>17</sup> Although the LUP does not define “building site”, IP Section 13.10.700-B defines “building site” as “an area of land occupied by or proposed as a location for a building or for a manufactured or mobile home on a permanent foundation” (emphasis added).

<sup>18</sup> The LCP defines Coastal Hazard Areas as “areas which are subject to physical hazards as a result of coastal processes such as landsliding, erosion of a coastal bluff, and inundation or erosion of a beach by wave action.”

<sup>19</sup> Although the LUP does not define “resource dependent use”, IP Section 16.32.040 defines “resource dependent use” as “any development or use which requires utilization of a natural resource and must be sited within a sensitive habitat in order to be able to function at all, such as a fish hatchery.” Further, IP Section 16.32.090 lists the types of allowed uses within sensitive habitat and includes nature study and research, nature observation, recreational uses, aquaculture, among others, but does not include residential uses.

### **LCP-3-SCO-24-0067-3 (SB 9)**

proposed, the language is inconsistent with the LUP (see, for example, LUP Policies ARC-3.1.3, ARC-3.1.6, and ARC-3.3.3). Fortunately, this, too, is easily remedied with language that ensures that all coastal zone ESHA is protected against unallowable residential development projects (see pages 2 and 3 of **Exhibit 2**).<sup>20</sup>

And, with respect to the Rural Residential (RR), Residential Agricultural (RA), and Special Use (SU) zoning districts within both the County's coastal zone and Census Designated Areas<sup>21</sup> where the proposal seeks to apply lot split and extra unit densification, there are two main issues. First, these Rural Residential, Residential Agricultural, and Special Use zoning districts are not single-family residentially zoned properties in the first place, rather these are agricultural (and in the case of Special Use, any type of use) districts. As such, the provisions of SB 9 do not apply to these properties as its implementation is limited to single-family residentially zoned properties.<sup>22</sup> As a result, these areas are not appropriately considered for SB 9 related changes, as SB 9 is not applicable there. And second, even if they were, such areas are all primarily located in the less densely developed and more rural and agricultural mid- and south-County area between Rio Del Mar and La Selva Beach (see page 1 of **Exhibit 3**). In these locations, the LUP requires that agricultural land is provided the utmost protection through strictly limiting conversion of agricultural land to non-agricultural uses, requiring significant buffers (a minimum of 200 feet; see LUP Policy ARC-1.4.1) between agricultural land and nonagricultural development (such as residential development), by placing stringent siting controls on nonagricultural development so as to minimize any potential impact to agricultural uses and soils, and by balancing any policy conflicts in the favor of preserving agricultural lands (see, for example, LUP Objective ARC-1.1 and Policies 1.4.1 and 1.4.5). Already, isolated pockets of what once was agricultural land in mid- and south-County (e.g., between Rio Del Mar and Highway 1, in the vicinity of La Selva Beach, and west of the City of Watsonville) are threatened by an increasing pattern of residential development, and further residential densification and subdivisions would only accelerate this fracturing of agricultural resources. Providing for additional densification in these areas (i.e., in the RR, RA, and SU districts in proposed IP Section 13.10.327(C)(2)), would not only potentially conflict with the directives of SB 9 itself for where two unit developments and lot splits are envisioned to occur under State law, it would conflict with the LUP directives for preserving agricultural lands and resources, and would thus be inconsistent with the LUP. Fortunately, LUP consistency can be assured through disallowing the densification proposed in these rural and agricultural areas (see page 1 of **Exhibit 2**).<sup>23</sup> Importantly, doing so to protect these significant coastal resources as

---

<sup>20</sup> Again, speaking to the County's intent on this issue.

<sup>21</sup> Government Code Sections 65852.21(a)(1) and 66411.7(a)(3)(B) delineate where SB 9 development is allowed based on Census Designated Urban Areas, in addition to the other eligibility requirements described herein throughout.

<sup>22</sup> See, for example, HCD guidance on this point: <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/sb-9-fact-sheet.pdf>.

<sup>23</sup> Because this modification eliminates RR, RA, and SU districts, and because the modification above that eliminates beach level hazardous areas eliminates all Single-Family Ocean Beach Residential (RB) districts (as they are exclusively located at/near beach level seaward of coastal bluffs), the modification limits applicability to the Single-Family Residential (R-1) zoning district for implementation clarity.

### **LCP-3-SCO-24-0067-3 (SB 9)**

directed by the LUP only affects a small portion of the area proposed, where the vast majority of land proposed to be eligible remains eligible (see the R-1 area in beige on page 2 of **Exhibit 3**).

All told, these suggested modifications serve to promote sustainable SB 9 development by clearly defining the areas in the County's coastal zone where increased residential development is not expected to have adverse coastal resource impacts, including in terms of coastal hazards, ESHA, and agricultural resources. Importantly, these modifications support and augment certain County intentions, and further protect valuable and significant coastal resources not covered by the proposed amendment but that require protection under the LUP. Notably, the properties where these site restrictions for SB 9 development apply represent just a small sliver of the overall land potentially eligible for SB 9 development in the County's coastal zone (again, see **Exhibit 3**) and do not conflict with the broader SB 9 goals of increased residential densification where such development can occur without impacts to significant coastal resources.

In addition, several additional modifications are also made to ensure LUP consistency, including clarifying that proposed IP Section 13.10.327(C)(4)(c) only applies outside of the coastal zone (because Santa Cruz County Code Chapter 16.13 (Flood Management Regulations) is not part of the County's LCP);<sup>24</sup> ensuring that only legally created parcels are allowed to avail themselves of SB 9-related measures; clarifying building setback requirements for existing structures; specifying that public hearings are not required for permit approval, rather than permit issuance, given appealability provisions; and, adding references to the LCP throughout the proposed amendment to ensure projects are consistent with the LCP in addition to other prevailing laws and provisions (e.g., the Subdivision Map Act, Santa Cruz County Code, etc.).

Finally, the proposed conflict resolution sections (see proposed IP Sections 13.10.327(A) and 13.10.328(A) in **Exhibit 1**) indicates that the Government Code takes precedence over the LCP in cases of conflict. However, put more accurately, this amendment is specifying what is going to be allowed within this LCP when SB 9 is applied to both the Santa Cruz County context and the Coastal Act/LCP coastal resource protection provisions that apply there. Put another way, and as is at the heart of this LCP amendment analysis, the Commission has evaluated the application of SB 9 through this amendment in the County through the coastal resource protection lens that applies there, and has appropriately harmonized the two state laws. There is no need for an external source – and one that may change independent of the LCP – to take precedence over that analysis, and it could inappropriately undo the analysis herein. Thus, modifications are suggested that reflect that conclusion (see pages 1 and 7 of **Exhibit 2**). Should the Government Code change in the future, then the LCP can adapt, but it would adapt within the LCP amendment context.

---

<sup>24</sup> Santa Cruz County Code Chapter 16.13 (Floodplain Management Regulations) was proposed to be incorporated into the County's IP via LCP amendment LCP-3-SCO-20-0067-2, but the County did not accept the suggested modifications necessary to certify the amendment and thus it was not added to the IP.

### **LCP-3-SCO-24-0067-3 (SB 9)**

In sum, as modified the proposed amendment offers another new LCP tool to help encourage additional housing in a way where it can be accommodated while also avoiding any potentially significant coastal resource impacts, and the suggested modifications should be understood as refinements and clarifications in this regard. The County has indicated that it is in agreement with the modifications. Accordingly, for all of the reasons above, the IP amendment with the suggested modifications can be found consistent with the certified LUP.

#### **D. California Environmental Quality Act (CEQA)**

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are not required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the County exempted the proposed amendment from environmental review, determining that preparing an ordinance to implement the provisions of SB 9 are statutorily exempt from CEQA (citing CEQA Section 21080.17, CEQA Guidelines Section 15282(h), and Government Code Sections 65852.21(j) and 66411.7(n)).

The Coastal Commission is not exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal, and has concluded that the proposed LCP amendment is expected to result in significant environmental effects, including as those terms are understood in CEQA, if it is not modified to address the coastal resource issues identified herein. Accordingly, it is necessary for the Commission to suggest modifications to the proposed LCP amendment to ensure that it does not result in significant adverse environmental effects. Thus, the proposed LCP amendment as modified will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).