



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET - 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

KATHLEEN MOLLOY, PLANNING DIRECTOR

September 14, 2018

Agenda Date: September 26, 2018

Continued from August 22, 2018

Item: #7

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Members of the Commission:

Subject: Continued Public Hearing to Consider an Ordinance for Proposed Amendments to Santa Cruz County Code Chapters 13.01, 13.10, 17.10, and 17.12 pertaining to General Plan and Zoning Amendments, Affordable Housing Requirements, Residential Density Bonus and Affordable Housing Incentives, and R-Combining District Regulations.

The proposed amendments are exempt from the California Environmental Quality Act. Amendments to Chapters 13.01 and 13.10 are Coastal Implementing and will require Coastal Commission certification after County adoption.

Recommended Action(s):

Staff recommends that the Commission:

- a) Hold a public hearing to consider an ordinance for proposed amendments to Santa Cruz County Code Chapters 13.01, 13.10, 17.10, and 17.12 pertaining to General Plan and Zoning Amendments, Affordable Housing Requirements, Residential Density Bonus and Affordable Housing Incentives, and R-Combining District Regulations; and the proposed finding of exemption from CEQA; and
- b) Adopt a resolution, included as Exhibit G, recommending that the Board of Supervisors adopt the draft ordinance as shown in Attachment 1 to Exhibit G.

UPDATES TO THE AUGUST 22, 2018 STAFF REPORT

Prior Hearings

The Planning Commission considered this matter at its August 22, 2018 meeting. Several members of the public commented at that hearing and/or submitted written comments. Following the staff presentation and public hearing, and after brief discussion, the Commission voted 3-0, with two absences, to continue the hearing to its September 26 meeting. The August 22 report to the Planning Commission is included as Exhibit F to this report. Exhibits A through E to the August 22 report were distributed previously and are available online (see link in Exhibits list below). The minutes of that meeting are provided in Exhibit I, and public comments are provided in Exhibit J to this report.

The Housing Advisory Commission (HAC) considered this matter at its September 5, 2018 meeting. Several members of the public commented at that hearing and/or submitted written comments. Following the hearing and deliberations, the Housing Advisory Commission voted 6-0, with four absences, to recommend that the Board of Supervisors implement these initiatives (e.g., the proposed code amendments) to support affordable housing. The HAC materials for this item are available on the HAC meeting page.¹

Additional Environmental Review Analysis

At the Planning Commission hearing of August 22, 2018, regarding the proposed ordinance, comments were made alleging that the proposed findings of exemption do not comply with the California Environmental Quality Act (CEQA). In response to those comments, County Counsel has provided further explanation of the exemption findings provided in the CEQA Notice of Exemption (original version in Exhibit E; revised version in Attachment 2 to Exhibit G), as follows:

The draft Notice of Exemption cites the following exemptions under the CEQA Guidelines (California Code of Regulations Title 14, Chapter 3):

- **Guidelines Section 15378:** Defines a “project” subject to CEQA as “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment[.]”
- **Guidelines Section 15060(c)** states: “An activity is not subject to CEQA if: (1) The activity does not involve the exercise of discretionary powers by a public agency; (2) The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment; or (3) The activity is not a project as defined in Section 15378.”
- **Guidelines Section 15061(b)(3)** states: “A project is exempt from CEQA if: . . . The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”

One allegation made during the August 22 hearing is that any “zoning ordinance” is a “project” under CEQA, and therefore the County cannot find that amendment of a zoning ordinance is not

¹ <http://sccounty01.co.santa-cruz.ca.us/planning/plnmeetings/ASP/Display/ASPX/DisplayAgenda.aspx?MeetingDate=9/5/2018&MeetingType=6>

a project as defined in the CEQA Guidelines Section 15378. However, as the Courts have recognized, the enactment or amendment of a zoning ordinance will not constitute a project under CEQA unless it also meets the second requirement in CEQA section 21065, namely that it “may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.”

The Guidelines Section 15064 define “a direct physical change in the environment” as “a physical change in the environment which is caused by and immediately related to the project.” An “indirect physical change in the environment” is defined as “physical change in the environment which is not immediately related to the project, but which is caused indirectly by the project”; however, “[a]n indirect physical change is to be considered only if that change is a reasonably foreseeable impact which may be caused by the project.”

During the August 22 hearing, it was alleged that “increased density” will result in impacts on “infrastructure,” specifically “water” and “transportation.” However, the proposed changes to County Code will not foreseeably result in any increased density, or any development at all. Given that existing State law and County Code allow density increases above 35%, with Board approval, it cannot be shown that the adoption of the proposed changes will cause any development to occur that would not already have occurred under existing law. Moreover, because State law allows developers who build affordable units to take “incentives and concessions” without increasing density, it is not reasonably foreseeable that the adoption of the ordinance will cause any additional units to be created, even if future development projects do occur. While it is the County’s hope that the revisions will result in some additional affordable units and projects, it is not possible to foresee that this result will in fact occur.

Even if future development does occur, it cannot be shown that it will cause significant impacts to water or to traffic, as it is not known where, when or how future projects may be developed, if at all. Finally, future development projects will themselves be subject to the requirements of CEQA.

Because it is not possible to predict that any increased development or density will result from the proposed changes, whether any development or density will result that would not already have occurred under existing Code, or which properties in the County, if any, may be proposed to be rezoned or developed pursuant to any of the proposed amendments, Staff recommends the Planning Commission recommend the Board of Supervisors find and determine that, based on the facts as set forth herein and in the Notice of Exemption, the adoption of the proposed changes will not result in any direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Section 15060(c)), can be seen with certainty to have no possible significant effect on the environment, including impacts to water or traffic (CEQA Guidelines Section 15061(b)(3)), and does not constitute a project under CEQA (CEQA Guidelines Section 15378).

The CEQA Notice of Exemption has been revised slightly (Exhibit G, Attachment 2) to clarify the findings, consistent with the analysis provided above.

Revisions to Proposed Ordinance

Staff has made several minor revisions to the proposed ordinance to address clerical minor errors/omissions identified after publication of the August 22, 2018 report. See Attachment 1 to

Exhibit G for the revised clean version of the proposed ordinance, and Exhibit H for the revised underline/strikeout version. The original versions are available online as Exhibits B and C to the original report, at the link below. These revisions consisted of: adding double underlining/strikeouts to indicate text moved from one subsection of existing code to another (to distinguish relocated text from new text); correction of several minor typographical errors; and adding a new subsection 17.12.105 to include the provisions of AB 1934 to provide a density bonus for commercial projects. This section was described in the original staff report but was inadvertently left out of the text amendments to the draft ordinance.

Please see the August 22, 2018 staff report (Exhibit F) for a complete description of the proposed code amendments to support affordable housing efforts.

Correction to August 22 Staff Report

There were several errors on Page 7 of the staff report, in Section 3. The corrected text is below:

Amendments to Chapter 17.10, Affordable Housing Program are provided in the proposed Ordinance to make the Affordable Housing Impact Fee (AHIF) payment option for projects of seven or more units available only at the discretion of the decision-making body ~~Board of Supervisors~~, rather than at the developer's option. This is a return to the approach that had been implemented for many years prior to 2015, when the new affordable housing impact fee (AHIF) program was established. The recommended changes would require projects subject to Chapter 17.10 with seven or more new dwelling units to provide inclusionary affordable unit(s) within the project, or pursue ~~Board~~-approval by the decision-making body of payment of AHIF or one of the other alternative compliance options available under Chapter 17.10.

The decision-making body is either the Planning Commission or the Board of Supervisors, whichever is the final approving body for the housing development project. The proposed ordinances (Exhibits B and C) correctly referred to the decision-making body.

Submitted by: Suzanne Isé, Principal Planner – Housing
Julie Conway, Housing Manager

Recommended by: Kathleen Molloy, Planning Director

Exhibits to August 22, 2018 Report:

- A. Resolution Recommending the Board of Supervisors Adopt the Proposed CEQA Document and Proposed Ordinance
 - Attachment 1 to Exhibit A, Clean Draft Ordinance
 - Attachment 2 to Exhibit A, Proposed CEQA Notice of Exemption
- B. Clean Draft Ordinance
- C. Strikeout/Underline Draft Ordinance
- D. Enhanced Density Bonus Option: Details and Examples
- E. Proposed CEQA Notice of Exemption

Exhibits A – E are not redistributed with this report, but are available online, with the original staff report, at:

<http://sccounty01.co.santa-cruz.ca.us/planning/plnmeetings/PLNSupMaterial/PC/agendas/2018/20180822/006.pdf>

New Exhibits:

- F. August 22, 2018 Report to the Planning Commission
- G. Resolution Recommending the Board of Supervisors Adopt the Proposed CEQA Document and Proposed Ordinance
 - Attachment 1 to Exhibit G, Clean Draft Ordinance (Revised)
 - Attachment 2 to Exhibit G, Proposed CEQA Notice of Exemption (Revised)
- H. Strikeout/Underline Draft Ordinance (Revised)
- I. Minutes of August 22, 2018 Planning Commission Meeting
- J. Public Comments

Exhibits A – E are not redistributed with this report, but are available online, with the original staff report, at:

<http://sccounty01.co.santa-cruz.ca.us/planning/plnmeetings/PLNSupMaterial/PC/agendas/2018/20180822/006.pdf>



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KATHLEEN MOLLOY, PLANNING DIRECTOR

August 14, 2018

Agenda Date: August 22, 2018

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Recommended Action(s):

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- b) Adopt a resolution, included as (Exhibit A) recommending that the Board of Supervisors adopt the draft ordinance as shown in Exhibit B.

Executive Summary

In response to Board direction provided on June 12, 2018 (Item 75.1), staff has prepared a draft ordinance with proposed amendments to several chapters of the Santa Cruz County Code (SCCC), provided in Exhibit B. These proposed code changes are intended to address the County's housing crisis in the near term by facilitating development of more affordable housing,

while longer-term comprehensive Planning efforts are underway to address a broader range of housing concerns. Several near-term initiatives were identified in the June 12 Board letter. Upon further analysis, staff has determined that the amendments will need to be considered in two groups, as the farmworker housing modifications, permanent room housing combining district, and addressing affordable housing development projects on public facility sites, will require additional time to research and complete environmental review. Staff will bring forward proposals on these remaining items this winter.

The code amendments presented in this report and in the draft ordinance (Exhibit B) address three of the initiatives identified on June 12 and/or earlier Board hearings:

Initiative	Amendments to SCCC:
1. Provide an Enhanced Density Bonus Option, which also addresses Mixed Use Projects on commercial sites	Chapter 17.12 and 13.10
2. Modify process for initiating rezoning into the Regional Housing Needs R-Combining District	Chapters 13.01 and 13.10
3. Modify inclusionary housing program to require projects of seven or more homes to obtain Board approval for affordable housing impact fee payment option; and to allow deferral of impact fee payments to final building inspection.	Chapter 17.10

Staff and County Counsel have analyzed the proposed amendments and found them all to be exempt from CEQA. A CEQA exemption form for the recommended ordinance (Exhibit E) provides more detail on the exemption findings.

Background

On June 12, 2018, the Board directed staff to prepare and process near-term amendments to the County Code that would support creation of affordable housing, as recommended by the Planning Director and the Housing Advisory Commission. These initiatives are described in the Board letter on the June 12, 2018 meeting agenda (Item 75.1), available on the County's online Meeting Calendar. Staff has completed further research and divided the initiatives into two groups. The first group as described above is ready for consideration.

It should be noted that initially staff believed that code amendments were needed regarding mixed use development with affordable housing but has determined that the Density Bonus amendments will address that need, with the exception of affordable housing on non-residential Public Facilities (PF) sites. For this reason, the second group of amendments to be considered this winter will include amendments to the PF district but not the commercial districts.

Analysis

Recommended Code Changes

1. Provide an Enhanced Density Bonus Option; and Updates to Chapter 17.12 for Consistency with Recent State Legislation

The enhanced density bonus option (EDBO) would provide a density bonus of up to 50% for qualified mixed-income projects described below; and up to 75% for housing projects that are

100% affordable. The enhanced density bonus exceeds the current standard 35% bonus provided in State law¹, however the state law allows localities to grant greater bonuses if allowed by local ordinance. SCCC Section 17.12.170 already allows the County to grant a larger bonus to qualified projects than otherwise set forth in Chapter 17.12, although another section of the Chapter notes that no applicants are *entitled to* a bonus of more than 35%. However, Section 17.10.170 does not currently provide any detailed parameters for a bonus greater than 35% or any upper limit on how much additional bonus could be provided.

The proposed amendments to relevant portions of Chapter 17.12 and 13.10.326 (Exhibit B) provide detailed parameters for an enhanced bonus, to provide consistency among projects and establish an upper limit to the enhanced bonus. These parameters can guide applicants, County staff and officials, and the public, in preparing and/or considering EDBO applications. Additional amendments to 17.12 are included to achieve consistency with four bills that the State enacted in 2016 that made further changes to State density bonus law, as explained further below.

Staff proposes three variations of enhanced bonus, as shown in Table 1 below. For background, the comparable formulas for the regular (State) density bonus are also shown in italics. The varied approach is tailored to three common project types that can often qualify for a density bonus: market-rate rental projects with some on-site affordable units (e.g., “mixed-income rental projects”); market-rate, for-sale developments subject to SCCC Chapter 17.10 (mixed-income for-sale projects); and non-profit/subsidized housing developments (“100% affordable projects”). As shown below, within the mixed-income rental project type, there are two levels, consistent with state density bonus law: one for very low income units and one for low income units.

The “base density” is the maximum density allowed under the site’s zoning and General Plan. If the densities noted in the zoning and General Plan designation are inconsistent, the General Plan designated density prevails, according to State law. The percentage of affordable units is calculated based on the total number of units allowed by the base density, before the bonus units are added to the project. For example, if a site’s base density allows ten units, and two of the ten units are proposed to be affordable to low-income households, the project would have twenty percent low-income units (2 / 10), and qualify for a 35% density bonus, for a resulting maximum project of fourteen units (including four bonus units), of which two are deed-restricted affordable units.

More detail on the enhanced bonus proposal, with examples of how it might work on typical projects in the County, is provided in Exhibit D. For all three project types, a maximum density limit of 30 dwelling units per acre is imposed, even if the formula otherwise results in a higher density for a given project. This essentially caps what could be considered on R-Combining sites with a density bonus, such that a 100% affordable housing project would be limited to 30 units per acre rather than 35 units per acre. The thirty-unit per acre limit is derived from the existing RM-1.5 district, which calculates to just over 29 units per acre, rounded up to 30 units per acre consistent with density bonus law. Exhibit B includes proposed amendments to Chapter 17.12 and 13.10.326 to create the enhanced density bonus option.

1. California Government Code Section 65915-65918.

Table 1: Proposed Enhanced Density Bonus Options

Project Types	Enhanced Bonus: Based on calculations shown below, but not to exceed a final density of 30 units per acre		
	Percent Affordable Units in Base Project		Percent Bonus Over Base Density
Mixed-Income Rental Projects Formulas used for very low and low-income rental units in State density bonus law are extended until a 50% bonus is reached.	Very Low Income (VLI) Units	5% to 11%	<i>State Density Bonus</i> 20% to 35% (2.5% bonus for each 1% increase in VLI)
		12% to 17%	Enhanced Bonus 37.5% to 50% (extension of State formula, up to 50%)
		>17%	50%
	Low Income (LI) Units	10% to 20%	<i>State Density Bonus</i> 20% to 35% (1.5% bonus for each 1% increase in LI)
		21% to 30%	Enhanced Bonus 36.5% to 50% (extension of State formula, up to 50%)
		>30%	50%
Mixed-Income For-Sale Projects Enhanced bonus for projects of 7+ new units that comply with Chapter 17.10 by providing at least 15% on-site inclusionary homes <u>and</u> qualify for a density bonus.	Moderate Income (MI) Units	10% to 40%	<i>State Density Bonus</i> 5% to 35% (% MI minus 5%)
		15% to 25%	Enhanced Bonus 40% to 50% (% MI "Measure J" units plus 25%)
		>25%	50%
100% Affordable Projects Subsidized/non-profit rental or for-sale projects, as defined in Exhibit D	Rental: 100%* LI or VLI; For Sale: 100% Mod, LI or VLI <i>* excludes any required manager's units</i>		<i>State Density Bonus</i> 35% Enhanced Bonus 75%

Other Amendments to Chapter 17.12

As noted above, additional amendments to Chapter 17.12, beyond those to create the EDBO, are included in the proposed ordinance (Exhibit B) to incorporate recent state legislation which took effect on January 1, 2017. Chapter 17.12 was last updated by the County in 2015. If the County Code conflicts with State density bonus law, State law prevails. Staff recommends these additional amendments to ensure consistency between State and local law and avoid potential confusion during the development review process. Four Assembly Bills (AB) enacted in 2016 amended State density bonus law by making the following key changes:

- AB 2501, Bloom: clarified procedural requirements, timelines, and standards for local agencies to follow in processing a density bonus application, added mixed-use zoning as an available incentive, added mixed-use projects as a project type eligible for a density bonus, noted that local jurisdictions bear the burden of proof if denying requested incentives or concessions, and noted that this section must be interpreted liberally to

EXHIBIT F

produce the maximum number of housing units;

- AB 1934, Santiago: added a type of density bonus for commercial projects that partner with a housing developer to produce affordable units.
- AB 2556, Nazarian: clarified required affordability levels for replacement rental units;
- AB 2442, Holden: added a density bonus option for housing for foster youth, homeless veterans, and other special needs groups.

Provisions in Density Bonus Law Related to Mixed Use Projects

The existing County Code establishes a density of “urban high residential” in the C-1, C-2, and PA (professional administrative – office) zoning districts, which allows a base density of 17.4 units per acre. A 50% density bonus would allow up to 26 units per acre for mixed-income projects and up to 31 units per acre for 100% affordable projects, which would be capped at 30 units per acre.

Current state density bonus law and County Code allow developers applying for a density bonus to request a waiver of any development standard, regulation, or other local policy that would physically preclude development of the project with its proposed percentage of affordable units. One development standard that has been already identified for such a waiver is a policy and standard in the County General Plan and County Code regarding mixed-use projects. This policy limits the percentage of residential floor area in mixed-use projects in commercial zones to no more than 50% of the project’s total floor area. The 50% limit applies to projects proposing market-rate housing in a mixed use project. Projects that are “100% affordable” (typically subsidized rental projects) may design up to 67% of the project’s total floor area as residential space.

If any mixed-use project qualifies for a density bonus consistent with State law, the applicant may request a waiver of this “development standard” if there is evidence that it would preclude development of the project, as required by State law. This provision could allow certain developments to exceed the 50% cap (or 67% cap, if applicable) on residential space in these commercial zones, without requiring an amendment of the General Plan. The amendments to State law made by AB 2501 (Bloom) provide additional provisions for mixed-use projects that may also be applicable to assist project feasibility.

State law and Chapter 17.12 also clarify that a grant of a density bonus and/or concessions and incentives, which are defined in the law to include waivers of development standards, does not require additional discretionary approvals, such as a General Plan or Zoning Code amendment:

Gov. Code §65915(f)(5)

The granting of a density bonus shall not require, or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.

Gov. Code §65915(j)(1)

The granting of a concession or incentive shall not require or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, study, or other discretionary approval.

Notwithstanding the above, the law allows localities to deny a requested density bonus, concession and/or waiver of development standards under limited circumstances:

Gov. Code §65915(d)(1):

The city, county, or city and county shall grant the concession or incentive requested by the applicant unless the city, county, or city and county makes a written finding, based upon substantial evidence, of any of the following:

(A) The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(B) The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.

(C) The concession or incentive would be contrary to state or federal law.

The density bonus mechanism provides an opportunity for mixed-use projects to request a waiver from the General Plan policy and County Code standard which limits the percentage of residential space in mixed-use projects.

Revision of Density Bonus Guidelines and Affordable Housing Guidelines

The Density Bonus Guidelines were last amended in 2015, while the Affordable Housing Guidelines were amended in 2017. Because the proposed Ordinance amends both Chapter 17.10 and 17.12, there will likely be a need to update one or both Guidelines following Board action. Staff will prepare revisions to the County's Density Bonus Guidelines and/or Affordable Housing Guidelines, as appropriate, to incorporate code amendments as soon as possible after the code amendments are adopted.

2. Modify process for initiating the R-Combining District (Regional Housing Need Combining District)

This proposed procedural amendment would allow parties other than the Board to propose sites for inclusion within the R-Combining District. The amendments to Section 13.10 and 13.01 provided in the proposed Ordinance (Exhibit B) would add another option to the existing process for rezoning sites to the R-Combining District. Upon analyzing the existing code and past use of this combining district, the process would occur as follows:

- a) Property owner (or applicant with property owner's consent) submits written request to Planning Commission to adopt a Resolution of Intent to Rezone Property to R-Combining District (may also require General Plan amendment in some cases);
- b) Planning Commission considers request and either adopts resolution of intent or denies request. The Planning Commission, or the Board of Supervisors on appeal, may elect to hold a public hearing to consider the request. If resolution is adopted:

- c) Board considers any appeal of PC determination;
- d) Applicant begins predevelopment studies, site planning, and other preparations to make application for Planned Unit Development (PUD), rezoning to Regional Housing Needs R-Combining and to RM-2 districts if site is not already so zoned, resulting in zoning of RM-2-R, and General Plan Amendment if needed;
- e) Applicant submits application for PUD, rezone to RM-2-R, and GPA if needed, and environmental review (CEQA);
- f) Planning Commission holds a public hearing and considers application, CEQA findings, and makes recommendation to Board;
- g) Board makes decision on PUD/rezoning application. If approved:
- h) Applicant prepares detailed site plans, architectural designs for project, submits to Board for Design Review. If approved:
- i) Applicant applies for building permits, proceeds to construction phase.

The amendments also provide additional clarity regarding findings of “special benefit” required for approval of a PUD. The additional language clarifies that any housing development built at 20 units per acre or more is considered to be a public benefit, with or without any extra affordability restrictions on the units, due to being “affordable by design” and the impacts on the community associated with inadequate numbers of housing units being produced in Santa Cruz County.

Staff anticipates that with this process, applicants will likely propose sites that tend to be smaller infill sites distributed throughout appropriate urban areas of the County, as opposed to the large sites included in the original round of R-combining district site identification completed in 2007/2008.

3. Affordable Housing Requirements (Chapter 17.10)

Amendments to Chapter 17.10, Affordable Housing Program are provided in the proposed Ordinance to make the Affordable Housing Impact Fee (AHIF) payment option for projects of seven or more units available only at the discretion of the Board of Supervisors, rather than at the developer’s option. This is a return to the approach that had been implemented for many years prior to 2015, when the new affordable housing impact fee (AHIF) program was established. The recommended changes would require projects subject to Chapter 17.10 with seven or more new dwelling units to provide inclusionary affordable unit(s) within the project, or pursue Board approval of payment of AHIF or one of the other alternative compliance options available under Chapter 17.10. Further amendments allow any impact fees to be paid prior to final inspection of the housing units, rather than at building permit issuance. Staff feels that this fee deferral and the enhanced density bonus option described above can largely offset the potential cost impacts of providing the on-site inclusionary units within these projects. The inclusionary requirement applies only to for-sale projects, while rental projects pay the impact fee (currently \$2 per square foot).

Submitted by: Suzanne Isé, Principal Planner – Housing
Julie Conway, Housing Manager

Recommended by: Kathleen Molloy, Planning Director

Exhibits:

- A. Resolution Recommending the Board of Supervisors Adopt the Proposed CEQA Document and Proposed Ordinance
- B. Clean Draft Ordinance
- C. Strikeout/Underline Draft Ordinance
- D. Enhanced Density Bonus Option: Details and Examples
- E. Proposed CEQA Notice of Exemption

BEFORE THE PLANNING COMMISSION
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Commissioner
duly seconded by Commissioner
the following is adopted:

PLANNING COMMISSION RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT AMENDMENTS TO CHAPTERS 13.01, 13.10, 17.10 and 17.12 PERTAINING TO THE ZONING AND GENERAL PLAN AMENDMENT PROCESS, AFFORDABLE HOUSING REQUIREMENTS, RESIDENTIAL DENSITY BONUS AND AFFORDABLE HOUSING INCENTIVES, AND REGIONAL HOUSING NEED COMBINING ZONE DISTRICT REGULATIONS.

WHEREAS on March 20, 2018 the Santa Cruz County Board of Supervisors directed Planning staff to hold a public discussion with the Santa Cruz County Housing Advisory Commission (HAC) to discuss the housing crisis and identify steps that could be taken in the near term to modify regulations to support creation of affordable housing, with an emphasis on an enhanced density bonus program; and

WHEREAS on May 2, 2018, the HAC considered a staff report presenting a variety of steps that would support affordable housing, held a public discussion, and identified modifications to regulations and administrative processes that could be taken to support creation of additional affordable housing as directed by the Board of Supervisors; and

WHEREAS on June 12, 2018, the Santa Cruz County Board of Supervisors considered the modifications to the Santa Cruz County Code that resulted from the discussion with the HAC, and directed the Planning Department to prepare ordinance amendments to be submitted to the Planning Commission for review and recommendation (Attachment 1); and

WHEREAS, on August 22, 2018 and September 26, the Planning Commission conducted a public hearing to consider the proposed amendments to the Santa Cruz County Code; and

WHEREAS, the Planning Commission finds that the proposed amendments will be consistent with the policies of the General Plan and other provisions of the County Code, and will be consistent with State law; and

WHEREAS, the ordinance amendments and additions have been found to be

Exhibit G

categorically exempt from further review under the California Environmental Quality Act;
and

WHEREAS, Chapters 13.01 and 13.10 are implementing ordinances of the Local Coastal Program (LCP) and the proposed amendments to this chapter constitute an amendment to the LCP; and

WHEREAS, the Planning Commission finds that the proposed amendments to Chapters 13.01 and 13.10 are consistent with the Coastal Act;

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission recommends that the Board of Supervisors certify the attached Notice of Exemption (Attachment 2 to this resolution).

BE IT FURTHER RESOLVED that the Planning Commission recommends that the Board of Supervisors adopt the proposed amendments to the Santa Cruz County Code as provided in Attachment 1 to this resolution, and that the proposed amendments be submitted to the California Coastal Commission for certification as part of the next Local Coastal Program Round.

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this _____ day of _____, 2018 by the following vote:

AYES: COMMISSIONERS
NOES: COMMISSIONERS
ABSENT: COMMISSIONERS
ABSTAIN: COMMISSIONERS

Chairperson of the Planning Commission

ATTEST:

Secretary

APPROVED AS TO FORM:

County Counsel

Exhibit G

Attachment 1 Proposed amendments to the Santa Cruz County Code
Attachment 2 CEQA Exemption

DISTRIBUTION: County Counsel
Planning Department

Exhibit G

**ORDINANCE AMENDING CHAPTERS 13.01, 13.10, 17.10, AND 17.12
OF THE SANTA CRUZ COUNTY CODE RELATING TO GENERAL PLAN AND
ZONING AMENDMENTS, AFFORDABLE HOUSING REQUIREMENTS,
RESIDENTIAL DENSITY BONUS AND AFFORDABLE HOUSING INCENTIVES, AND
R-COMBINING DISTRICT REGULATIONS**

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

SECTION I

Section 13.01.060 is hereby amended to read as follows:

13.01.060 General Plan amendment.

(A) Amendment Initiation. A General Plan amendment may be initiated by:

- (1) A resolution of intention by the Board of Supervisors or the Planning Commission.
- (2) An application by a property owner, an interested party having the owner's authorization, or any member of the general public.
- (3) Applicants considering applying for a General Plan amendment and/or rezoning that would involve the Regional Housing Need R-Combining District may request the Planning Commission adopt a resolution of intention prior to filing an amendment application for processing by the County. Costs of processing the request and the application shall be paid by the applicant. Any Planning Commission action regarding such requested Resolution of Intention may be appealed to the Board of Supervisors under this section rather than the procedures of Title 18.10. A formal public hearing is not required but may be scheduled at the discretion of the Planning Commission or Board of Supervisors.

(B) Amendment Frequency. Any single element of the General Plan shall not be amended more than four times in a calendar year. Each of the four allowed amendments may encompass a variety of different changes to the element.

(C) Consistency Zoning. When a General Plan amendment affects the land use designation of specific properties, those properties shall be concurrently rezoned to a zone district(s) as necessary to maintain consistency with the General Plan.

SECTION II

Section 13.10.170 is amended to read as follows:

13.10.170 General Plan consistency.

(A) Consistency Requirement. The zoning plan and regulations established by this chapter shall be consistent with the General Plan. "Consistent with" as used in this section means that the allowable uses and development standards established by this chapter and the zoning plan created pursuant to SCCC 13.10.210 are in harmony with and compatible with the County General Plan including the Local Coastal Program Land Use Plan, and that they implement the objectives, policies and programs of the General Plan and do not inhibit or obstruct the orderly attainment of the General Plan within its time frame.

(B) Discretionary Uses. Land uses which are allowed by discretionary approval shall be deemed to be consistent with the General Plan, provided the approving body finds such consistency before approving the use.

(C) Maintaining Consistency. The zoning plan and regulations established by this chapter shall not be amended out of conformity with the General Plan. Whenever an amendment to either the zoning ordinance or the General Plan is considered, a concurrent amendment to the other document shall be considered where necessary to maintain consistency.

(D) Consistent Zone Districts. The following table denotes the basic and combining districts which implement and are consistent with the various General Plan land use, resource and constraint designations. Rezoning of a property to a zone district which is shown in the following zoning implementation table as implementing the designation applicable to the property shall not constitute an amendment of the Local Coastal Program, unless it involves rezoning to M-3 in the Coastal Zone.

ZONING IMPLEMENTATION TABLE

General Plan/Local Coastal Program Land Use Designation	Zone District pursuant to SCCC 13.10.300 et seq., and SCCC 13.10.400 et seq.
All Land Use Designations	
(Except Agricultural Resource Lands)	SU—Special Use
Agricultural:	
AG—Agriculture	A—Agriculture
	RA—Residential Agriculture
	CA—Commercial Agriculture
	TP—Timber Production
	PR—Parks, Recreation and Open Space
	AP—Agricultural Preserve (for existing AP Districts only)
Commercial:	
C-N—Neighborhood Commercial	C-1—Neighborhood Commercial
	CT—Tourist Commercial
	PA—Professional and Administrative Offices
C-C—Community Commercial	C-2—Community Commercial
	C-1—Neighborhood Commercial
	CT—Tourist Commercial
	VA—Visitor Accommodations

ZONING IMPLEMENTATION TABLE

General Plan/Local Coastal Program Land Use Designation	Zone District pursuant to SCCC 13.10.300 et seq., and SCCC 13.10.400 et seq.
	PA—Professional and Administrative Offices
C-V—Visitor Accommodations	VA—Visitor Accommodations
C-S—Service Commercial/Light Industry	M-1—Light Industrial
	PA—Professional and Administrative Offices
	C-4—Commercial Services
C-O—Professional and Administrative Offices	PA—Professional and Administrative Offices
Public Facility/Institutional:	
P—Public/Institutional Facilities	PF—Public and Community Facilities
Residential:	
R-M—Mountain Residential	RR—Rural Residential
	RA—Residential Agriculture
	TP—Timber Production
	A—Agriculture
	R-1—Single-Family Residential** (5,000 square feet to one acre lot size)
R-R—Rural Residential	RR—Rural Residential
	RA—Residential Agriculture
	A—Agricultural

ZONING IMPLEMENTATION TABLE

General Plan/Local Coastal Program Land Use Designation	Zone District pursuant to SCCC 13.10.300 et seq.; and SCCC 13.10.400 et seq.
	R-1—Single-Family Residential** (5,000 square feet to one acre lot size)
R-S—Suburban Residential	RR—Rural Residential
	RA—Residential Agriculture
	R-1—Single-Family Residential** (5,000 square feet to one acre lot size)
R-UVL—Urban Very Low Residential	R-1—Single-Family Residential*
R-UL—Urban Low Residential	R-1—Single-Family Residential*
	RB—Ocean Beach Residential*
	RM—Multifamily Residential*
R-UM—Urban Medium Residential	R-1—Single-Family Residential*
	RB—Ocean Beach Residential*
	RM—Multifamily Residential*
R-UH—Urban High Residential	R-1—Single-Family Residential*
	RM—Multifamily Residential*
	RM-2-R –Multifamily Residential with Regional Housing Needs Combining zone*
All Residential Designations	PR—Parks, Recreation and Open Space

* Zone district designations shall be considered consistent with the General Plan and Local Coastal Program Land Use Plan when in conformance with the residential density allowed by Figure 2-3 of the General Plan and Local Coastal Program Land Use Plan.

** This zone district is established for the sole purpose of recognizing as conforming parcels those legal parcels of record located outside the urban services line of the County that, prior to the adoption of the 1994 General Plan and Local Coastal Program Land Use Plan, were zoned R-1-5, R-1-6, R-1-7, R-1-8, R-1-9, R-1-10, R-1-12, R-1-15, R-1-20, R-1-32, R-1-40 or R-1-1 acre and developed with or intended for development of a single-family residence and any permitted accessory structures. Such development, including additions or remodels, is subject to the site and development standards of the specified zone district for the parcel. All land divisions must be consistent with the provisions of the Rural Residential Density Determination Ordinance (Chapter 13.14 SCCC) and with the residential density allowed by Figure 2-2 of the General Plan and Local Coastal Program Land Use Plan.

Open Space Uses:	
O-R—Parks, Recreation and Open Space	PR—Parks, Recreation and Open Space
	TP—Timber Production
O-C—Resource Conservation	PR—Parks, Recreation and Open Space
	TP—Timber Production
	A—Agriculture
O-L—Lakes, Reservoir, Lagoon	PR—Parks, Recreation and Open Space
O-U—Urban Open Space	PR—Parks, Recreation and Open Space
General Plan/Local Coastal Program Land Use Overlay Designations:	
I—Heavy Industry	M-1—Light Industrial
	M-2—Heavy Industrial
Q—Quarry	M-3—Mineral Extraction
PP—Proposed Parks and Recreation	PR—Parks, Recreation and Open Space
	D—Designated Park Site Combining Zone District with any other zone district

General Plan/Local Coastal Program Resource:	
Agricultural Resource Lands	AP—Agricultural Preserve Zone District
	A-P—Agriculture with Agricultural Preserve Zone District
	CA—Commercial Agriculture
	TP—Timber Production
Timber Resource Lands	TP—Timber Production
General Plan/Local Coastal Program Constraint:	
Coastal Bluffs and Beaches	GH—Geologic Hazards Combining Zone District with any other zone district (see SCCC 13.10.400)
Fault Zones	
Liquefaction Areas	
Landslide Areas	
Floodplains and Tsunami Inundation Areas	
Other Designation or Condition:	
Designated Assisted Housing Site	H—Assisted Housing Combining District with any other zone district
Property Issued a Statement of Intention	I—Statement of Intention Combining District with any other zone district
Designated Historic Landmark	L—Historic Landmark Combining District with any other zone district
Mobile Home Park	MH—Mobile Home Park Combining District with any other zone district

Property Restricted by an Open Space Contract	O—Open Space Combining District with any other zone district
Santa Cruz Long-Toed Salamander Habitat	SP—Salamander Protection Combining District with any other zone district
Special Residential Design Standards for the Pleasure Point Neighborhood	PP—Pleasure Point Community Design Combining District with any R-1, RM or PR zoned parcel in the Pleasure Point Neighborhood
Special use and development standards for development of housing at density of 20 units per acre	R—Regional Housing Need Combining District with any RM-2 zoned parcel

SECTION III

Section 13.10.215 is amended to read as follows:

13.10.215 Zoning plan amendment.

(A) Amendment Policy. The County zoning plan and map are intended to reflect a comprehensive assessment and projection of the County's present and future needs for various types of land uses and developments, which are shown broadly on the adopted General Plan and Local Coastal Program Land Use Maps and Zoning Maps. In order to maintain a stable, desirable, well-balanced pattern of development throughout the unincorporated County area, amendments to the zoning plan and map are to be made only upon adequate justification.

(B) Amendment Initiation. Amendment to the zoning plan or map may be initiated by a resolution of intention adopted by the Board of Supervisors upon its own motion or upon the recommendation of the Planning Commission, an application by a property owner or other interested party having the owner's authorization. Applicants considering applying for a General Plan amendment and/or rezoning that would involve the Regional Housing Need R-Combining District may request the Planning Commission adopt a resolution of intention prior to filing an amendment application for processing by the County. Costs of processing the request and the application shall be paid by the applicant. Any Planning Commission action regarding such requested Resolution of Intention may be appealed to the Board of Supervisors under this section rather than the procedures of Title 18.10. A formal public hearing is not required but may be scheduled at the discretion of the Planning Commission or Board of Supervisors.

(C) Amendment Procedures. Amendments to the County zoning plan or map shall be processed as a legislative action requiring a recommendation by the Planning Commission and approval by the Board of Supervisors pursuant to Chapter 18.10 SCCC and in accordance with the requirements of this section.

(D) Planning Commission Recommendation. After a public hearing, which may be continued from time to time, the Planning Commission shall send a written recommendation to the Board. The Commission's recommendation shall include the reasons for the recommendation, the relationship of the proposed zoning amendment to the General Plan, and a statement regarding compliance with the California Environmental Quality Act. The Planning Commission shall recommend approval of a rezoning only if it determines that:

- (1) The proposed zone district will allow a density of development and types of uses which are compatible with the objectives, policies and programs, and land use designations of the adopted General Plan, and conforms with, and is adequate to carry out, the coastal resource protection provisions of the certified Land Use Plan; and
- (2) The proposed zone district is compatible with the level of utilities and community services available to the land; and
- (3) One or more of the following findings can be made:
 - (a) The character of development in the area where the land is located has changed or is changing to such a degree that the public interest will be better served by a different zone district;
 - (b) The proposed rezoning is necessary to provide for a community-related use which was not anticipated when the zoning plan was adopted;
 - (c) The present zoning is the result of an error;
 - (d) The present zoning is inconsistent with designation on the General Plan;
 - (e) The proposed rezoning is in the best interests of the public health, safety or welfare;
 - (f) A rezoning from nonresidential to residential use is appropriate in that the site has low commercial potential as reflected by existing vacancies, or outdated low value

improvements, or low employment density, or low market demand for commercial use of the site; or

(g) The site will accommodate housing type(s) that are needed to house the local workforce in support of the local economy.

(4) For amendments located within the Coastal Zone, the proposed rezoning maintains and provides for priority uses consistent with Sections 2.22.1 and 2.22.2 of the certified Land Use Plan.

(E) Planning Commission Recommendation Against Amendment. If the Planning Commission recommends against a proposed amendment, its action shall be final unless the matter is subsequently considered upon appeal or special consideration by the Board of Supervisors, or unless the action is being processed concurrently with a project that requires review by the Board of Supervisors.

(F) Board of Supervisors Action. The Clerk of the Board shall set a public hearing before the Board of Supervisors within 30 days after the receipt of the report recommending a zoning amendment from the Planning Commission. The Board may approve, modify, or disapprove the Planning Commission's recommendation; provided, that any modification of the proposed zoning amendment (including the imposition of regulations which are less restrictive than those proposed by the Commission or changes in proposed dwelling density or use) which was not previously considered by the Planning Commission shall be referred to the Planning Commission for its report and recommendation. The Planning Commission is not required to hold a public hearing on the referral, and its failure to respond within 40 days shall be deemed to be approval of the proposed modification. Any public hearing of the Board of Supervisors may be continued from time to time as determined by the Board.

(G) Finality of Action on Amendments. No new application for a zoning amendment shall be filed for the same or substantially the same purpose or project on the same parcel within one year after its denial without the consent of the Planning Commission if no appeal was made, or without the consent of the Board of Supervisors if denied by the Board. A denial without prejudice shall allow the filing of a new application at any time for the same or substantially the same purpose or project.

SECTION IV

Section 13.10.326 is amended to read as follows:

13.10.326 Residential density bonus for affordable housing

Within the Coastal Zone, the approving body (or the Coastal Commission on appeal) may approve additional units under density bonus provisions if the following criteria are met:

- (A) The additional units are consistent with Coastal Act Section 30604(f), Government Code Section 65915 and Chapter 17.12 SCCC; and
- (B) The project is found to be in conformity with the Local Coastal Program provisions that ensure no impact on Coastal resources (including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections).

SECTION V

Section 13.10.475 is amended to read as follows:

Article VIII-A. Regional Housing Need R Combining District

13.10.475 Purpose of the Regional Housing Need R Combining District.

The purpose of the Regional Housing Need R Combining District is to increase the supply of affordable housing by designating sites for development at 20 units per acre in order to meet housing needs, including but not limited to requirements of the regional housing needs allocation as required by Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the California Government Code.

SECTION VI

Section 13.10.476 is amended to read as follows:

13.10.476 Density, Requirement for Planned Unit Development (PUD), and Permit Processing Standards

- (A) Sites that are designated as Regional Housing Need R Combining District shall be developed at 20 units per acre. The use and density shall be by right, in that the use and density for the site are not discretionary, for sites zoned as required in SCCC 13.10.476 subsection (B). For the purposes of calculating density under these provisions, the developable area of each site

developed under the Regional Housing Need R Combining District shall be determined at the time the site is designated. Such developable acreage shall be calculated in accordance with SCCC 13.10.700-D definition of “developable land” and SCCC 13.10.700-S definition of “site area, net” except that roadways and driveways shall be included in the developable acreage calculation for the purposes of determining net developable acreage. The number of potential units will be determined by multiplying the developable acreage by 20. Where such calculation results in a fractional number, the number of units shall be determined by rounding up to the nearest whole number.

(B) Property that is proposed for rezoning into the Regional Housing Need R Combining District shall include a proposed PUD. The PUD application shall include the development envelope and information on the massing, height, and intensity of development sufficient to perform environmental review under the California Environmental Quality Act (CEQA) at the Program level of detail, but is not required to address every aspect of the PUD application under Chapter 18.10, which may then be subject to Project-level CEQA review. The provision of housing at a density of 20 units/acre shall be deemed a specific benefit adequate to satisfy the finding for approval described in SCCC 18.10.183 (B)(3).

(C) After rezoning and the approval of the PUD, applicants must apply for a design review and site development permit which shall be acted upon by the Board of Supervisors. Projects that include a tentative map approval or are in the Coastal Zone are also subject to sections 13.10.476 (D)(1) and/or (2), as applicable.

(D) If a coastal permit or tentative map approval is required, it must be included in the application.

(1) Coastal Permit Requirements. Where a site is located in the Coastal Zone and requires a coastal permit for development, the provisions of Chapter 13.20 SCCC apply. Wherever possible, the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the coastal permit.

(2) Subdivisions. Development that includes approval of a tentative map is subject to the provisions of the Subdivision Map Act and Chapter 14.01 SCCC. Where a tentative map is proposed, the public hearing may be expanded to address findings necessary under the Subdivision Map Act. Wherever possible the environmental review performed at the time

the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the subdivision.

SECTION VII

Section 13.10.477 is amended to read as follows:

13.10.477 Development standards in the Regional Housing Need R Combining District.

(A) Development Standards.

(1) Master Planning. Where contiguous or adjacent parcels are designated under the Regional Housing Need R Combining District, any development proposal for one parcel may be required to include a master plan for development of all contiguous or adjacent parcels which are also designated under the Regional Housing Need R Combining District. The purpose of the master plan is to define interior circulation patterns, exterior site access, fire access to all parcels, infrastructure improvements, common area location and amenities.

(2) Site standards shall be those established by SCCC 13.10.323 for RM 1.5 to RM 4.9, with the following alternative standards also available.

(a) Parking requirements: 1.5 spaces per studio or one-bedroom units; 2.0 spaces for two-bedroom units; 2.5 spaces for three-bedroom units; 3.0 spaces per four-bedroom units. An additional 20 percent of the total number of parking spaces is required to accommodate guest parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of the approved PUD for each site, based on unique site and design factors;

(b) Height up to 35 feet measured from pre-construction natural grade and up to three stories exclusive of subsurface parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of the approved PUD for each site, based on unique site and design factors;

(c) Limits on lot coverage and floor area ratio may be established for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

- (d) Clustering of affordable units is allowed when 100% of the units to be developed are deed restricted rental units affordable to households earning below 80% of the area median income;
 - (e) Where garages are provided for market rate units, garages are not required for affordable units; and
 - (f) Maintain standard riparian buffer but eliminate 10-foot additional riparian construction buffer.
- (3) Developments shall encourage energy efficiency, and environmentally sensitive design and building materials.
- (4) If located within the Coastal Zone, the project's development standards must be found to be in conformity with the Local Coastal Program provisions that ensure no impact on Coastal resources, including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections.

SECTION VIII

Section 13.10.478 is hereby deleted.

SECTION IX

Section 13.10.700 is amended to read as follows:

13.10.700-D "D" definitions.

"Density bonus" means the allocation of development rights that allow a parcel to accommodate additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision of affordable unit(s) pursuant to Chapter 17.12.

SECTION X

Chapter 17.12 shall be amended to read as follows:

Chapter 17.12

RESIDENTIAL DENSITY BONUSES AND AFFORDABILITY INCENTIVES

17.12.010 Purpose.

The purpose of this chapter is to provide incentives for the production of affordable housing and to comply with the provisions of Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the California Government Code, which mandates the adoption of a County ordinance specifying how the County will comply with that chapter.

17.12.020 Eligibility for regulatory incentives.

A housing development shall be granted a density bonus and, if requested by the applicant and consistent with the applicable requirements of this chapter, the regulatory concessions and incentives, waivers or reductions of development standards and parking ratios as described in this chapter when the applicant for the housing development seeks and agrees to construct at least any one of the following, and the housing development provides at least the number of very low and lower income units required by SCCC 17.12.025, if applicable. The County may require reasonable documentation to establish eligibility for a requested density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios. Inclusionary units provided as required by Chapter 17.10 SCCC are eligible for a density bonus and the regulatory incentives described in this chapter if the housing development also meets all requirements for affordable units contained in this chapter.

- (A) Ten percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code;
- (B) Five percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code;
- (C) A senior citizen housing development as defined in Section 51.3 of the Civil Code, or mobile home park that limits residency based on age requirements for housing older persons pursuant to Section 798.76 or 799.5 of the Civil Code; or
- (D) Ten percent of the total dwelling units in a common interest development as defined in Section 1351 of the Civil Code, for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code; provided, that all units in the development are offered to the public for purchase.
- (E) Ten percent of the total units of a housing development for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in

Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units described in this subparagraph shall be subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low income units.

17.12.025 Eligibility for regulatory incentives—Sites occupied by rental housing in past five years.

(A) This section applies to housing developments for which an application for a density bonus or other incentives provided by this chapter is made after January 1, 2015, for property on which any of the following rental units are now located, or on which any of the following rental units were located at any time in the five-year period preceding the date of submittal of the application:

- (1) Rental units subject to a recorded covenant, ordinance, or law restricting rents to levels affordable to very low and lower income households;
- (2) Rental units subject to any form of public rent control; or
- (3) Rental dwelling units occupied by very low or lower income households.

(B) A housing development subject to this section will not be eligible for a density bonus or any other regulatory incentive provided by this chapter, including an enhanced density bonus, if applicable, unless:

- (1) Each unit in the proposed housing development, exclusive of a manager's unit or units, is proposed to be affordable to and occupied by very low or lower income households; or
- (2) The proposed housing development contains either: (a) the percentage of affordable units specified in SCCC 17.12.020; or (b) the replacement affordable units specified in subsection (C) of this section, whichever is greater. All housing developments subject to this section must provide replacement units as specified in subsection (C) of this section.

(C) The units described in subsection (A) of this section must be replaced as described in this subsection (C) for the housing development to be eligible for a density bonus or any other regulatory incentive provided by this chapter:

- (1) The housing development must replace all units that are occupied on the date of application by households with lower or very low incomes with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in the same or lower income category as those occupying the units. If the rental units are subject to or were formerly subject to any form of public rent control in the past five years, the housing development must also replace all units that are occupied on the date of application by

households with moderate incomes with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in a moderate or lower income category. Vacant units in a development with occupied units must be replaced with affordable units in the same proportion as the occupied units. If the income level of the household in occupancy is not known, the County shall make the rebuttable presumption that lower income households occupied the units in the same proportion as lower income households comprised the total County households, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.

(2) If all the rental units described in subsection (A) of this section have been vacated or demolished in the five-year period preceding the application, the housing development must replace all units described in subsection (A) of this section that existed on the site when it contained the maximum number of units over the five-year period (the "highpoint") as follows:

(a) If the incomes of households occupying units at the highpoint are known, any units occupied on the date of the highpoint by households with lower or very low incomes must be replaced with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in the same or lower income category as those occupying the units at the highpoint. If the rental units were formerly subject to any form of public rent control in the past five years, the housing development must also replace all units that are occupied on the date of application by households with moderate incomes with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in a moderate or lower income category. Units that were vacant at the highpoint must be replaced with affordable units in the same proportion as the occupied units.

(b) If the incomes of households occupying units at the highpoint are not known, the County shall make the rebuttable presumption that lower income households occupied the units in the same proportion as lower income households comprised the total County households, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database. One-half of the required replacement units shall be made available at affordable rent or affordable housing cost to, and occupied by, lower income households, and one-half of the required replacement units shall be made available at affordable rent or affordable housing cost to, and occupied by, very low income households.

(3) The County shall assume that all units subject to a recorded covenant, ordinance, or law restricting rents to levels affordable to very low and lower

income households are or were formerly occupied by households at the income levels required by the covenant, ordinance, or law.

(4) All units required by this subsection (C) shall be subject to a recorded affordability restriction with a term of at least 55 years if rental units. For-sale units shall be offered at an affordable housing cost and shall be subject to an equity sharing agreement consistent with Government Code section 65915(c)(2) unless in conflict with the requirements of another public funding source or law, and except that inclusionary units provided pursuant to SCCC Chapter 17.10 shall be permanently restricted in accordance with SCCC 17.10.050. All replacement calculations resulting in fractional units shall be rounded up to the next whole number.

17.12.030 Affordability restrictions.

(A) An applicant shall agree to, and the County shall ensure, continued affordability of all low and very low income units that qualified the applicant for the award of the density bonus for 55 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units shall be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

(B) An applicant shall agree to, and the County shall ensure that the initial occupant of all for-sale units that qualified the applicant for the award of the density bonus are persons and families of very low, low or moderate income, as required, and the County shall enforce an equity sharing agreement pursuant to Government Code section 65915(c)(2)) unless in conflict with the requirements of another public funding source or law, and except that inclusionary units as required by Chapter 17.10 shall be permanently restricted in accordance with SCCC 17.10.050. Owner-occupied units shall be available at an affordable housing cost as defined in Section 50052.5 of the Health and Safety Code.

17.12.040 Request for incentive or concession.

(A) An applicant for a density bonus may submit a proposal for specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the County.

(B) The applicant may request the following number of incentives or concessions:

(1) One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least five percent for very low income households, or at least 10 percent for persons and families of moderate income in a common interest development.

- (2) Two incentives or concessions for projects that include at least 20 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a common interest development.
 - (3) Three incentives or concessions for projects that include at least 30 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a common interest development.
- (C) “Concession” or “incentive,” as used in this chapter, means any of the following:
- (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code section 65915(c).
 - (2) Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.
 - (3) Priority processing as provided in SCCC 17.10.040.
 - (4) Other regulatory incentives or concessions proposed by the developer or the County that result in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code section 65915(c).
- (D) The granting of a concession or incentive shall not require, be interpreted, in and of itself, to require a General Plan amendment, Local Coastal Plan amendment, zoning change, study or other discretionary approval. For purposes of this subdivision, “study” does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that the incentive or concession meets the definition set forth in SCCC 17.12.040(C).
- (E) This section does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the County, or the waiver of fees or dedication requirements.

17.12.050 Request for waiver or reduction of standard.

(A) In no case may the county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of SCCC 17.12.020 and 17.12.025 at the densities or with the concessions or incentives permitted by this chapter. An applicant may seek a waiver of any development standard that will have the effect of physically precluding the construction of a housing development meeting the criteria of SCCC 17.12.020 and 17.12.025 with the density bonus or with the concessions or incentives permitted by this chapter. An applicant may request a meeting with the County.

(B) Nothing in this subdivision shall be interpreted to require the county to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined by Government Code section 65589.5(d)(2), upon health, safety or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

(C) A proposal for the waiver or reduction of development standards pursuant to this section shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to SCCC 17.12.040.

17.12.060 Density bonuses.

(A) For the purposes of this chapter, "density bonus" means a density increase over the otherwise maximum allowable residential density as of the date of application by the applicant to the County. The applicant may elect to accept a lesser percentage of density increase, including but not limited to, no increase in density. The amount of density increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in SCCC 17.12.020.

(1) For housing developments meeting the criteria of SCCC 17.12.020(A), the density bonus shall be calculated as follows:

Percentage Low Income Units	Percentage Density Bonus
10	20
11	21.5
12	23

Percentage Low Income Units	Percentage Density Bonus
13	24.5
14	26
15	27.5
16	29
17	30.5
18	32
19	33.5
20	35

(2) For housing developments meeting the criteria of SCCC 17.12.020(B), the density bonus shall be calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

(3) For housing developments meeting the criteria of SCCC 17.12.020(C), the density bonus shall be 20 percent of the number of senior housing units.

(4) For housing developments meeting the criteria of SCCC 17.12.020(D), the density bonus shall be calculated as follows:

Percentage Moderate Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29

Percentage Moderate Income Units	Percentage Density Bonus
35	30
36	31
37	32
38	33
39	34
40	35

(5) For housing developments meeting the criteria of SCCC 17.12.020(E), the density bonus shall be 20 percent of the number of the type of units giving rise to a density bonus under that subsection.

(B) Calculations of density bonuses are subject to the following provisions:

(1) Each housing development is entitled to only one density bonus. Where a housing development qualifies for a density bonus under more than one category as described in subsection (A) of this section, the category under which the density bonus is granted shall be elected by the applicant, and density bonuses from more than one category may not be combined.

(2) All calculations of density bonus units resulting in fractional units shall be rounded up to the next whole number. All calculations of affordable units required to qualify for the density bonus resulting in fractional units shall be rounded up to the next whole number.

(3) The applicant may request a lesser density increase than the housing development is entitled to, including but not limited to no increase, but no reduction will be permitted in the percentages of required affordable units as described in SCCC 17.12.020 and 17.12.025.

(4) The granting of a density bonus or an enhanced density bonus shall not require, or be interpreted, in and of itself, to require a General Plan amendment, Local Coastal Plan amendment, zoning change, or other discretionary approval.

17.12.065 Enhanced Density Bonus.

(A) For the purposes of this chapter, “enhanced density bonus” means an additional density increase provided by the County in excess of the regular 35 percent bonus provided by State law, for those developments meeting the criteria for an enhanced

density bonus as set forth in this Section 17.12.065. Any enhanced density bonus granted pursuant to this Section shall be subject to a maximum resulting project density of thirty dwelling units per acre, after application of the enhanced bonus, notwithstanding the result of any enhanced density bonus calculations provided herein. Applicants for an enhanced density bonus must satisfy all requirements for a density bonus set forth in this Chapter, including but not limited to replacement housing requirements, if applicable, as specified in Section 17.10.025. A project meeting the requirements for an enhanced density bonus shall also be eligible for incentives and concessions, reduced parking requirements, and/or waivers of development standards to the same extent as it would be in conjunction with a density bonus pursuant to Section 17.12.060. Any density increase provided to a project pursuant to Section 17.12.065 shall serve in lieu of, and not in addition to, the density increase provided pursuant to Section 17.12.060.

- (1) For housing developments meeting the criteria of SCCC 17.12.020(A) and that provide at least 21 percent Low Income Units, the enhanced density bonus shall be calculated as shown below, up to a maximum density bonus of 50 percent:

Enhanced Density Bonus	
Percentage Low Income Units	Percentage Enhanced Density Bonus
21	36.5
22	38
23	39.5
24	41
25	42.5
26	44
27	45.5
28	47
29	48.5
30	50

- (2) For housing developments meeting the criteria of SCCC 17.12.020 (B) and that provide at least 12 percent Very Low Income Units, the enhanced density bonus shall be calculated as shown below, up to a maximum density bonus of 50 percent:

Enhanced Density Bonus	
Percentage Low Income Units	Percentage Enhanced Density Bonus
12	37.5
13	40
14	42.5
15	45
16	47.5
17	50

(3) For housing developments meeting the criteria of SCCC 17.12.020 (D) that provide at least 15 percent Moderate Income Units, including any on-site inclusionary units provided in compliance with SCCC 17.10.030(B), the enhanced density bonus shall be calculated as shown below, up to a maximum density bonus of 50 percent:

Enhanced Density Bonus	
Percentage Moderate Income / Inclusionary Units	Percentage Enhanced Density Bonus
15	40
16	41
17	42
18	43
19	44
20	45
21	46
22	47
23	48
24	49
25	50

(4) (A) Affordable housing developments meeting the criteria of SCCC 17.12.020 and that provide 100% of the units in a rental project, excluding any manager's units, as Very Low or Low Income rental units, or 100% of the units in a for-sale project as Low or Moderate Income for-sale units, shall qualify for an enhanced density bonus of 75 percent.

(B) To be eligible for an enhanced density bonus pursuant to this subsection (4), developments must meet the following criteria:

- 1) Project sponsor and/or site owner is a 501(c)(3) non-profit housing development organization and/or public agency;
- 2) Project will be funded in full or part by public subsidies and/or low-income housing tax credits, or is being developed on land provided by the County or other public agency for affordable housing development;
- 3) All rental units in the project, except any property managers' units, will be subject to an affordability restriction of at least fifty-five years;
- 4) Affordable for-sale units shall be subject to an affordable resale restriction for a term of at least 45 years, or longer term as approved by the County and project funders.

17.12.070 Land donations.

When an applicant for a housing development donates land to the County as provided for in this section, the applicant shall be entitled to a 15 percent density bonus as follows:

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25

Percentage Very Low Income	Percentage Density Bonus
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

This increase shall be in addition to any density bonus allowed by SCCC 17.12.060 up to a maximum combined mandated density increase of 35 percent if an applicant seeks both the density bonus required pursuant to this section and that allowed by SCCC 17.12.060. All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this section shall be construed to enlarge or diminish the authority of the County to require a developer to donate land as a condition of development. An applicant shall be eligible for the increased density bonus described in this section if all of the following conditions are met:

- (A) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or housing development application.
- (B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.
- (C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate General Plan designation, is appropriately zoned with appropriate development standards for development at 20 units per acre, and is or will be served by adequate public facilities and infrastructure.
- (D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the County may subject the proposed development to subsequent design review to the extent authorized by

subdivision (i) of Section 65583.2 of the Government Code if the design is not reviewed prior to the time of transfer.

(E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with SCCC 17.12.030, which shall be recorded on the property at the time of the transfer.

(F) The land is transferred to the local agency or to a housing developer approved by the County. The County shall require the applicant to identify and transfer the land to the developer.

(G) The transferred land shall be within the boundary of the proposed development or, if the County agrees, within one-quarter mile of the boundary of the proposed development.

(H) A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or housing development application.

17.12.080 Child care facilities.

(A) When an applicant proposes to construct a housing development that conforms to the requirements of SCCC 17.12.020 and 17.12.025 and includes a child care facility that will be located on the premises of, as part of, or adjacent to the project, the County shall grant either of the following:

(1) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility.

(2) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(B) The County shall require, as a condition of approving the housing development, that the following occur:

(1) The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable pursuant to SCCC 17.12.030.

(2) Of the children who attend the child care facility, the children of very low income households, lower income households, or families of moderate income shall equal a percentage that is equal to or greater than the percentage of dwelling units that are required for very low income households, lower income households, or families of moderate income in the housing development.

(C) Notwithstanding any requirement of this section, the County shall not be required to provide a density bonus or concession for a child care facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

(D) "Child care facility," as used in this chapter, means a child day care facility other than a family day care home, including, but not limited to, infant centers, preschools, extended day care facilities, and school age child care centers.

17.12.090 Parking.

(A) Upon the request of the developer, the County shall not require a vehicular parking ratio, inclusive of disabled and guest parking, of a development meeting the criteria of SCCC 17.12.020 and 17.12.025 that exceeds the following ratios, or such lower ratio as established by Government Code section 65915(p)(2), as applicable:

- (1) Zero to one bedrooms: one on-site parking space;
- (2) Two to three bedrooms: two on-site parking spaces;
- (3) Four and more bedrooms: two and one-half parking spaces.

(B) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this section, a development may provide "on-site parking" through tandem parking or uncovered parking, but not through on-street parking.

(C) This section shall apply to a development that meets the requirements of SCCC 17.12.020 and 17.12.025 but only at the request of the applicant. An applicant may request additional parking incentives or concessions beyond those provided in this section.

17.12.100 Condominium conversions.

Condominium conversions may be eligible for a density bonus or incentive under the requirements set forth in Government Code Section 65915.5.

17.12.105 Commercial development contributing affordable housing.

A commercial development contributing affordable housing may be eligible for a development bonus under the requirements set forth in Government Code Section 65915.7.

17.12.110 Application procedures.

(A) All requests for density bonuses and all other regulatory incentives permitted by this chapter shall be submitted concurrently with the application for the first discretionary

permit or other permit required for the housing development and shall be processed concurrently with such application.

(B) An applicant's request for any density bonuses, incentives, parking reductions, and/or waivers permitted by this chapter shall include the following information:

- (1) A site plan depicting the number and location of all proposed market rate units, affordable units, and density bonus units, if any.
- (2) A calculation of the maximum number of dwelling units permitted by the County's zoning ordinance and general plan for the housing development, excluding any density bonus units.
- (3) The income level of the proposed affordable units.
- (4) A description of any requested incentives, waivers of development standards, or parking reductions and evidence that any requested incentive or concession results in identifiable, and actual cost reductions to the housing development and is necessary to provide affordable rents or affordable sales prices.
- (5) A description of all rental units existing on the site in the five-year period preceding the date of submittal of the application; income of all residents of currently occupied units; if no units are currently occupied, income of residents occupying units when it contained the maximum number of units in the five-year period preceding the date of submittal of the application; and any recorded covenant, ordinance, or law restricting rents to levels affordable to very low and lower income households applicable to the property in the five-year period preceding the date of submittal of the application.
- (6) For any requested waiver of a development standard, evidence that the development standard for which the waiver is requested will have the effect of physically precluding the construction of the housing development with the density bonus, incentives, and concessions requested.
- (7) If a mixed use building or project is proposed as an incentive, evidence that nonresidential land uses will reduce the cost of the housing development and that the nonresidential land uses are compatible with the housing development and the existing or planned development in the area.
- (8) If a density bonus is requested for a land donation, the applicant shall show the location of the land to be dedicated, provide proof of site control, and provide evidence that each of the requirements included in SCCC 17.12.070 can be met.
- (9) If a density bonus or incentive is requested for a child care facility, evidence that all of the requirements included in SCCC 17.12.080 can be met.

- (10) If a density bonus or incentive is requested for a condominium conversion, evidence that all of the requirements included in Government Code Section 65915.5 can be met.

17.12.120 Review procedures.

All requests for density bonuses, incentives, parking reductions, and/or waivers permitted by this chapter shall be considered and acted upon by the approval body with authority to approve the housing development, with right of appeal to the Board of Supervisors, if applicable.

(A) Before approving an application that includes a request for a density bonus, incentive, parking reduction and/or waiver, the decision-making body shall make the following findings, as applicable:

- (1) The housing development is eligible for the density bonus and any incentives, concessions, parking reductions or waivers requested.
- (2) Any requested incentive or concession will result in identifiable and actual cost reductions.
- (3) If the density bonus is based all or in part on donation of land, a finding that all the requirements included in SCCC 17.12.070 have been met.
- (4) If the density bonus or incentive is based all or in part on the inclusion of a child care facility, a finding that all the requirements included in SCCC 17.12.080 have been met.
- (5) If the density bonus or incentive is based all or in part on the inclusion of affordable units as part of a condominium conversion, a finding that all the requirements included in Government Code Section 65915.5 have been met.
- (6) If an incentive includes mixed-use development, a finding that nonresidential land uses will reduce the cost of the housing development and that the nonresidential land uses are compatible with the housing development and the existing or planned development in the area.
- (7) If a waiver is requested, a finding that the development standards for which the waiver is requested would have the effect of physically precluding the construction of the housing development with the density bonus and incentives and concessions permitted.

(B) If the findings required by subsection (A) of this section can be made, the decision-making body may deny an application for an incentive, concession, or waiver requested only if it makes one of the following written findings, supported by substantial evidence:

- (1) That the incentive, concession, or waiver would have a specific, adverse impact upon public health or safety or the physical environment and there is no

feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low and moderate income households. For the purpose of this subsection, "specific adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete; or

- (2) That the incentive, concession, or waiver would have an adverse impact on real property listed in the California Register of Historic Resources; or
- (3) That the incentive, concession, or waiver is contrary to State or Federal law; or
- (4) That the incentive or concession does not result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Health & Safety Code Section 50025.5, or for rents for the targeted units to be set as specified in Government Code section 65915(c); or
- (5) That the development standards for which the waiver is requested would not have the effect of physically precluding the construction of the housing development with the density bonus and incentives and concessions permitted.

(C) If the findings required by subsection (A) of this section can be made, the decision-making body may deny an application for a density bonus or incentive that is based on the provision of child care only if it makes a written finding, based on substantial evidence, that the County already has adequate child care facilities.

(D) If any density bonus, incentive, parking reduction, or waiver is approved pursuant to this chapter for a housing development, the applicant shall enter into an affordable housing agreement with the County in a form acceptable to the Planning Director and County Counsel. The affordable housing agreement shall be a legally binding agreement between the applicant and the County to ensure that the requirements of this chapter are satisfied and may be combined with the participation agreement required by Chapter 17.10 SCCC. The executed affordable housing agreement shall be recorded against the housing development prior to final or parcel map approval, or, where a map is not being processed, prior to issuance of building permits for the housing development. The affordable housing agreement shall be binding on all future owners and successors in interest.

(E) Unless otherwise provided by the affordable housing agreement, all required affordable units shall be constructed prior to or concurrently with the construction of market rate units. No final inspection for any new market rate unit in a housing development shall be issued until final inspections have been issued for the required affordable units.

17.12.130 Housing development—Defined.

“Housing development,” as used in this chapter, means a development project for five or more residential units, including mixed-use developments. For the purposes of this chapter, “housing development” also includes a subdivision or common interest development as defined in Section 4100 of the Civil Code, approved by the County and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

17.12.140 Development standard—Defined.

“Development standard,” as used in this chapter, includes site or construction conditions including, but not limited to, a height or story limitation, a setback requirement, a floor area ratio, an on-site open space requirement, or a parking ratio that apply to a residential development pursuant to any ordinance, General Plan element, Local Coastal Program, specific plan, charter amendment, or other local condition, law, policy, resolution, or regulation. If located within the Coastal Zone, the project’s development standards must ensure no impact on Coastal resources, including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections.

17.12.150 Maximum allowable residential density—Defined.

“Maximum allowable residential density,” as used in this chapter, means the density allowed under the zoning ordinance and Land Use Element of the General Plan, or if a range of density is permitted, means the maximum allowable density for the specific zoning range and land use element of the General Plan applicable to the project. Where the density allowed under the zoning ordinance is inconsistent with the density allowed under the Land Use Element of the General Plan, the General Plan density shall prevail.

17.12.160 Coastal Act applicability.

Nothing in this chapter shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code).

SECTION XI

Section 17.10.030 is hereby amended to read as follows:

17.10.030 Ownership residential projects—Inclusionary housing requirements.

(A) Ownership Residential Projects Subject to Inclusionary Housing Requirements. An ownership residential project shall be subject to the inclusionary housing requirements of this section if it will result in the creation of:

- (1) Seven or more new dwelling units;
- (2) Parcels providing building sites for a total of seven or more new dwelling units; or
- (3) A combination of new dwelling units and parcels together providing for a total of seven or more new dwelling units.

(B) Inclusionary Housing Requirement. Ownership residential projects identified in subsection (A) of this section shall provide affordable units equal to a minimum of 15 percent of the total number of new dwelling units and new residential building sites in the residential project. All required affordable units shall be constructed within the residential project as required by SCCC 17.10.032. As an alternative to the requirements of this subsection (B), applicants may propose to meet their affordable housing requirement through the alternatives provided in subsection (C) of this section. Ownership residential projects which generate a fractional affordable housing obligation shall pay an affordable housing impact fee equivalent to the fractional amount, as specified in SCCC 17.10.034. The applicant may elect to construct an additional affordable unit instead of paying the fractional fee, and may also consider using the Density Bonus provisions of Chapter 17.12.

(C) Alternatives to Satisfy Inclusionary Housing Requirement. As an alternative to the construction of affordable units within an ownership residential project as required by subsection (B) of this section, the affordable housing requirement may be satisfied by one or a combination of the following alternatives if approved by the decision-making body at the time of the approval of the residential project:

- (1) Payment of an affordable housing impact fee consistent with SCCC 17.10.034, at the rate shown in the Unified Fee Schedule for projects subject to this section (SCCC 17.10.030).
- (2) Participation in the existing unit conversion program pursuant to SCCC 17.10.037; or

- (3) Financial contribution to a nonprofit sponsored affordable housing project on a different site as specified in SCCC 17.10.036. Where an applicant proposes to satisfy the affordable housing requirement through this alternative, the total affordable unit requirement shall be based on the total number of new dwelling units and new undeveloped residential building sites at both sites; or
- (4) Provision of rental affordable units on site pursuant to SCCC 17.10.039.

SECTION XII

Section 17.10.034 is hereby amended to read as follows:

17.10.034 Residential projects—Affordable housing impact fees.

(A) Fee Authorization. Affordable housing impact fees for residential projects may be established by resolution of the Board of Supervisors and amended from time to time as appropriate. Any such fees shall be part of the County's unified fee schedule. Such fees shall not exceed the cost of mitigating the impact of market rate housing on the need for affordable housing in the County.

(B) Residential Projects Subject to Affordable Housing Impact Fee. An affordable housing impact fee shall be paid for the following residential projects if such a fee has been established by resolution of the Board of Supervisors:

- (1) Ownership residential projects which will result in the creation of six or fewer new dwelling units, lots, or combination of lots and units, unless the owner has elected to construct one affordable unit on site.
- (2) Rental residential projects unless rental affordable units are provided as required by SCCC 17.10.039.
- (3) Fractional affordable housing obligations for ownership residential projects creating seven or more new dwelling units or lots or combination of lots and units, unless the owner has elected to construct one additional affordable unit on site.
- (4) Net new square footage over 500 square feet for additions, replacements and remodels.

(C) Affordable Housing Impact Fee as an Alternative to On-Site Inclusionary Requirements.

An applicant for an ownership residential project subject to the requirements of SCCC 17.10.030 and required to construct on-site affordable units may pay the adopted affordable housing impact fee, if approved by the decision-making body at the time of the approval of the residential project, as an alternative to provision of some or all of the required on-site affordable units. Such request may be granted at the discretion of the decision-making body, appealable to the Board of Supervisors, if a finding is made, based on the evidence before the decision-making body, that granting the request would serve the purposes of this Chapter 17.10 to an equal or greater extent than provision of inclusionary units within the project.

(D) Payment of Affordable Housing Impact Fees.

(1) Any required affordable housing impact fee shall be paid prior to issuance of a final occupancy certificate or final building permit inspection, whichever occurs first, for the first market-rate unit or other habitable structure in the project. The amount of any affordable housing impact fee shall be based upon the fee schedule in effect at the time of payment.

(2) If the affordable housing impact fee alternative is used for a residential project that must record a participation agreement described in SCCC 17.10.030(F), the project applicant may opt to pay this fee for the subject parcel(s) prior to recordation of the final map or final parcel map rather than record the agreement.

(E) Fee Payments Nonrefundable. All affordable housing impact fee payments shall be nonrefundable once they have been received by the County.

SECTION XIII

Section 17.10.083 is hereby amended to read as follows:

17.10.083 Nonresidential projects—Affordable housing impact fees.

(A) Fee Authorization. Affordable housing impact fees for nonresidential projects may be established by resolution of the Board of Supervisors and amended from time to time as appropriate. Any such fees shall be part of the County's unified fee schedule. Such fees shall not exceed the cost of mitigating the impact of nonresidential projects on the need for affordable housing in the County.

(B) Payment of Fee. Any required affordable housing impact fee shall be paid prior to issuance of a final occupancy certificate or final building permit inspection, whichever occurs first, for the any non-residential structure within the project. The amount of any affordable housing impact fee shall be based upon the fee schedule in effect at the time of payment.

(C) Provision of Affordable Units. As an alternative to payment of the affordable housing impact fee, an applicant for a nonresidential project may submit a request to mitigate the affordable housing impacts of such development through the construction of affordable units. The decision-making body may approve or conditionally approve such an alternative if the decision-making body determines, based on substantial evidence, that provision of the affordable units is consistent with the County General Plan and Housing Element and will provide as much or more affordable housing at the same or lower income levels.



County of Santa Cruz

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

KATHLEEN MOLLOY, PLANNING DIRECTOR

www.sccoplanning.com

NOTICE OF EXEMPTION

To: Clerk of the Board
Attn: Susan Galloway
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Project Name: Proposed amendments to Santa Cruz County Code (SSCC) Chapters 13.01, 13.10, 17.10, and 17.12 pertaining to the Zoning and General Plan amendment process, Affordable Housing Requirements, Residential Density Bonus and Affordable Housing Incentives, and Regional Housing Need Combining District zone regulations.

Project Location: Countywide

Assessor Parcel No.: Not Applicable

Project Applicant: County of Santa Cruz Planning Department

Project Description:

SSCC Chapters 13.01 and 13.10 would be amended to add an administrative pathway for applicants to ask the Planning Commission to adopt a resolution of intention regarding whether a property is appropriate to be studied for potential to be included in the Regional Housing Need R-Combining zone district (designated with the symbol -R), which existing Code allows the Planning Commission or Board of Supervisors to do itself, without an applicant's request. In all cases, inclusion in the R-Combining zone district requires a formal rezoning by the Board of Supervisors, pursuant to existing Code. The amendments also include text specifying that housing developed at 20 units/acre constitutes a specific benefit supporting the approval of a PUD, and clarifications of existing regulations, such as restating the requirement to apply for a PUD, clarifying the base and alternate development standards applicable in the R-Combining Zone, and adding the RM-2-R zone (multi-family residential, 2000 SF minimum area/unit, R-combining) to the zoning implementation chart for the Residential-Urban High General Plan designation. The amendments also eliminate certain erroneous, inconsistent or redundant language.

SSCC Chapter 17.10, Affordable Housing Requirements, would be amended to modify the process for payment of inclusionary housing program fees. Currently, fees can be paid in lieu of providing affordable units at the developer's option. This practice would be changed to require approval by the application's approving body, and fees will be allowed to be paid at a later point in the development process, currently allowed under existing Code with the Planning Director's approval based on hardship.

SSCC Chapter 17.12, Residential Density Bonuses and Affordability Incentives, would be amended to comply with State law that has been enacted since the Chapter was last amended. The changes to State law include adding mixed use development as a project type eligible for density bonus, procedural requirements and timelines for processing, and density bonus for housing special needs groups. The Chapter would also be amended to specify the parameters of an Enhanced Density Bonus of up to 50%, up to a maximum of 30 units per acre, as permitted by State law. Existing Code allows the County to grant a density bonus greater than 35%, without any specific limits.

Agency Approving Project: County of Santa Cruz, Planning Department

County Contact: Suzanne Ise

Telephone No. (831) 454-5166

Date Completed:

This is to advise that the County of Santa Cruz Board of Supervisors has approved the above described project on _____ and found the project to be exempt from CEQA under the following criteria:

Exempt status: *(check one)*

- ☒ The proposed activity is not a project under CEQA Guidelines Section 15378.
- ☒ The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).
- ☒ The proposed activity is exempt from CEQA as specified under CEQA Guidelines Section 15061(b)(3).
- ☐ **Ministerial Project** involving only the use of fixed standards or objective measurements without personal judgment.

☐ **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).

Specify type:

☐ **Categorical Exemption**

Class 1

Reasons why the project is exempt:

The proposed changes to SCCC Chapters 13.01 and 13.10 are administrative, relate to procedures applicable to initiation of rezoning applications generally and not to any particular proposal to rezone, will not result in a direct or reasonably foreseeable indirect physical change in the environment, can be seen with certainty, based on review of the facts, to have no possible significant effect on the environment including impacts to water or traffic pursuant to CEQA Guidelines Section 15061(b)(3), and do not constitute a project under CEQA Guidelines Section 15378. Further, the proposed changes will not result in any direct or reasonably foreseeable indirect physical change in the environment, in that it is not possible to reasonably anticipate which properties in the County, if any, will be proposed for rezoning and subsequent development of housing, and therefore the changes are not subject to CEQA pursuant to CEQA Guidelines Section 15060(c). If any such proposal(s) do occur, rezoning of property into the R-combining district will be subject to environmental review under CEQA. In addition, development of any property in the R-combining district requires a Planned Unit Development permit, which is also subject to environmental review under CEQA.

The proposed changes to SCCC Chapter 17.10 are administrative changes relating to the procedures for approval of payment of fees instead of construction of affordable units, and the time of payment of fees, both permitted under existing Code, and do not relate to any particular development proposal or site, and therefore will not result in any direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Section 15060(c)) can be seen with certainty based on review of the facts to have no possible significant effect on the environment, including impacts to water or traffic (CEQA Guidelines Section 15061(b)(3)), and do not constitute a project under CEQA (CEQA Guidelines Section 15378). Any development project subject to affordable housing requirements applicable under County Code will be subject to environmental review under CEQA.

Updating SCCC Chapter 17.12 to make local regulations consistent with existing State law is an administrative task, does not relate to any particular development proposal or site, has no potential to affect the physical environment pursuant to CEQA Guidelines Section 15061(b)(3) and 15060(c), and can be seen with certainty based on review of the facts to have no possible significant effect on the environment including impacts to water or traffic, in that the State density bonus law states that it applies notwithstanding a city or county's adoption of an implementing local ordinance, and is currently implemented in Santa Cruz County even though it is not fully reflected in existing code.

Regarding the proposed Enhanced Density Bonus Option (EDBO) program, current State and County regulations allow density bonus exceeding 35%, although no uppermost ceiling on the allowed density after the bonus or other detailed parameters are specified. The proposed amendments set out limits for the density bonus that may be granted to qualifying projects at different income levels, up to 75% for 100% affordable projects with an overall cap on density of 30 units/acre. It is not possible to predict which properties in the County, if any, may be proposed to be developed with a project that qualifies for and requests an Enhanced Density Bonus Option, whether any increased development or density will result from the proposed changes, whether any development or density will result that would not already have occurred under existing Code, or any possible significant environmental impacts peculiar to the adoption of the EDBO program, and therefore will not result in any direct or reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Section 15060(c)) can be seen with certainty based on review of the facts to have no possible significant effect on the environment, including impacts to water or traffic (CEQA Guidelines Section 15061(b)(3)), and do not constitute a project under CEQA (CEQA Guidelines Section 15378). Any development project with a Density Bonus component will be subject to environmental review under CEQA.

In addition, none of the conditions described in Section 15300.2 apply, because it is not possible to predict whether any increased development or density will result from the proposed changes, whether any development or density will result that would not already have occurred under existing Code and State regulations, or which properties in the County, if any, may be proposed to be rezoned or developed pursuant to any of the proposed amendments, and therefore the proposed changes cannot be shown to have any cumulative or site-specific impact.

Signature: _____ Date: _____ Title: Environmental Coordinator

**ORDINANCE AMENDING CHAPTERS 13.01, 13.10, 17.10, AND 17.12
OF THE SANTA CRUZ COUNTY CODE RELATING TO GENERAL PLAN AND
ZONING AMENDMENTS, AFFORDABLE HOUSING REQUIREMENTS,
RESIDENTIAL DENSITY BONUS AND AFFORDABLE HOUSING INCENTIVES, AND
R-COMBINING DISTRICT REGULATIONS**

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

SECTION I

Section 13.01.060 is hereby amended to read as follows:

13.01.060 General Plan amendment.

(A) Amendment Initiation. A General Plan amendment may be initiated by:

- (1) A resolution of intention by the Board of Supervisors or the Planning Commission.
- (2) An application by a property owner, an interested party having the owner's authorization, or any member of the general public.
- (3) Applicants considering applying for a General Plan amendment and/or rezoning that would involve the Regional Housing Need R-Combining District may request the Planning Commission adopt a resolution of intention prior to filing an amendment application for processing by the County. Costs of processing the request and the application shall be paid by the applicant. Any Planning Commission action regarding such requested Resolution of Intention may be appealed to the Board of Supervisors under this section rather than the procedures of Title 18.10. A formal public hearing is not required but may be scheduled at the discretion of the Planning Commission or Board of Supervisors.

This modification will allow applicants considering land use amendments that involve the Regional Housing Needs R Combining Zone district an opportunity to obtain direction about whether the amendment is appropriate for study and consideration of change to the General Plan or zoning.

(B) Amendment Frequency. ~~The~~ Any single element of the General Plan shall not be amended more than four times in a calendar year. Each of the four allowed amendments may encompass a variety of different changes to the element~~plan~~.

New text clarifies that, consistent with State law, each year the number of amendments is limited to four for each element of the General Plan, rather than four amendments total.

(C) Consistency Zoning. When a General Plan amendment affects the land use designation of specific properties, those properties shall be concurrently rezoned to a zone district(s) as necessary to maintain consistency with the General Plan.

~~(D) Affordable Housing Requirement. When a General Plan amendment changes the land use designation of a parcel within the urban services line from a nonresidential designation to a residential designation, 40 percent of all residential units or parcels resulting from the General Plan amendment shall be affordable pursuant to Chapter 17.10 SCCC.~~

Deletion would remove an inconsistency that was created in the County code when Chapter 13.10.01 was amended to remove this requirement in 2015. This section should have been deleted at that time.

SECTION II

Section 13.10.170 is amended to read as follows:

13.10.170 General Plan consistency.

(A) Consistency Requirement. The zoning plan and regulations established by this chapter shall be consistent with the General Plan. "Consistent with" as used in this section means that the allowable uses and development standards established by this chapter and the zoning plan created pursuant to SCCC 13.10.210 are in harmony with and compatible with the County General Plan including the Local Coastal Program Land Use Plan, and that they implement the objectives, policies and programs of the General Plan and do not inhibit or obstruct the orderly attainment of the General Plan within its time frame.

(B) Discretionary Uses. Land uses which are allowed by discretionary approval shall be deemed to be consistent with the General Plan, provided the approving body finds such consistency before approving the use.

(C) Maintaining Consistency. The zoning plan and regulations established by this chapter shall not be amended out of conformity with the General Plan. Whenever an amendment to either the zoning ordinance or the General Plan is considered, a concurrent amendment to the other document shall be considered where necessary to maintain consistency.

(D) Consistent Zone Districts. The following table denotes the basic and combining districts which implement and are consistent with the various General Plan land use, resource and constraint designations. Rezoning of a property to a zone district which is shown in the following zone-zoning implementation table as implementing the designation applicable to the property shall not constitute an amendment of the Local Coastal Program, unless it involves rezoning to M-3 in the Coastal Zone.

ZONING IMPLEMENTATION TABLE

General Plan/Local Coastal Program Land Use Designation	Zone District pursuant to SCCC <u>13.10.300</u> et seq., and SCCC <u>13.10.400</u> et seq.
All Land Use Designations	
(Except Agricultural Resource Lands)	SU—Special Use
Agricultural:	
AG—Agriculture	A—Agriculture
	RA—Residential Agriculture
	CA—Commercial Agriculture
	TP—Timber Production
	PR—Parks, Recreation and Open Space
	AP—Agricultural Preserve (for existing AP Districts only)
Commercial:	
C-N—Neighborhood Commercial	C-1—Neighborhood Commercial
	CT—Tourist Commercial
	PA—Professional and Administrative Offices
C-C—Community Commercial	C-2—Community Commercial
	C-1—Neighborhood Commercial
	CT—Tourist Commercial
	VA—Visitor Accommodations

ZONING IMPLEMENTATION TABLE

General Plan/Local Coastal Program Land Use Designation	Zone District pursuant to SCCC <u>13.10.300</u> et seq., and SCCC <u>13.10.400</u> et seq.
	PA—Professional and Administrative Offices
C-V—Visitor Accommodations	VA—Visitor Accommodations
C-S—Service Commercial/Light Industry	M-1—Light Industrial
	PA—Professional and Administrative Offices
	C-4—Commercial Services
C-O—Professional and Administrative Offices	PA—Professional and Administrative Offices
Public Facility/Institutional:	
P—Public/Institutional Facilities	PF—Public and Community Facilities
Residential:	
R-M—Mountain Residential	RR—Rural Residential
	RA—Residential Agriculture
	TP—Timber Production
	A—Agriculture
	R-1—Single-Family Residential** (5,000 square feet to one acre lot size)
R-R—Rural Residential	RR—Rural Residential
	RA—Residential Agriculture
	A—Agricultural

ZONING IMPLEMENTATION TABLE

General Plan/Local Coastal Program Land Use Designation	Zone District pursuant to SCCC <u>13.10.300</u> et seq., and SCCC <u>13.10.400</u> et seq.
	R-1—Single-Family Residential** (5,000 square feet to one acre lot size)
R-S—Suburban Residential	RR—Rural Residential
	RA—Residential Agriculture
	R-1—Single-Family Residential** (5,000 square feet to one acre lot size)
R-UVL—Urban Very Low Residential	R-1—Single-Family Residential*
R-UL—Urban Low Residential	R-1—Single-Family Residential*
	RB—Ocean Beach Residential*
	RM—Multifamily Residential*
R-UM—Urban Medium Residential	R-1—Single-Family Residential*
	RB—Ocean Beach Residential*
	RM—Multifamily Residential*
R-UH—Urban High Residential	R-1—Single-Family Residential*
	RM—Multifamily Residential*
	<u>RM-2-R –Multifamily Residential with Regional Housing Needs Combining zone*</u>
All Residential Designations	PR—Parks, Recreation and Open Space

* Zone district designations shall be considered consistent with the General Plan and Local Coastal Program Land Use Plan when in conformance with the residential density allowed by Figure 2-3 of the General Plan and Local Coastal Program Land Use Plan.

** This zone district is established for the sole purpose of recognizing as conforming parcels those legal parcels of record located outside the urban services line of the County that, prior to the adoption of the 1994 General Plan and Local Coastal Program Land Use Plan, were zoned R-1-5, R-1-6, R-1-7, R-1-8, R-1-9, R-1-10, R-1-12, R-1-15, R-1-20, R-1-32, R-1-40 or R-1-1 acre and developed with or intended for development of a single-family residence and any permitted accessory structures. Such development, including additions or remodels, is subject to the site and development standards of the specified zone district for the parcel. All land divisions must be consistent with the provisions of the Rural Residential Density Determination Ordinance (Chapter 13.14 SCCC) and with the residential density allowed by Figure 2-2 of the General Plan and Local Coastal Program Land Use Plan.

Open Space Uses:	
O-R—Parks, Recreation and Open Space	PR—Parks, Recreation and Open Space
	TP—Timber Production
O-C—Resource Conservation	PR—Parks, Recreation and Open Space
	TP—Timber Production
	A—Agriculture
O-L—Lakes, Reservoir, Lagoon	PR—Parks, Recreation and Open Space
O-U—Urban Open Space	PR—Parks, Recreation and Open Space
General Plan/Local Coastal Program Land Use Overlay Designations:	
I—Heavy Industry	M-1—Light Industrial
	M-2—Heavy Industrial
Q—Quarry	M-3—Mineral Extraction
PP—Proposed Parks and Recreation	PR—Parks, Recreation and Open Space
	D—Designated Park Site Combining Zone District with any other zone district

General Plan/Local Coastal Program Resource:	
Agricultural Resource Lands	AP—Agricultural Preserve Zone District
	A-P—Agriculture with Agricultural Preserve Zone District
	CA—Commercial Agriculture
	TP—Timber Production
Timber Resource Lands	TP—Timber Production
General Plan/Local Coastal Program Constraint:	
Coastal Bluffs and Beaches	GH—Geologic Hazards Combining Zone District with any other zone district (see SCCC <u>13.10.400</u>)
Fault Zones	
Liquefaction Areas	
Landslide Areas	
Floodplains and Tsunami Inundation Areas	
Other Designation or Condition:	
Designated Assisted Housing Site	H—Assisted Housing Combining District with any other zone district
Property Issued a Statement of Intention	I—Statement of Intention Combining District with any other zone district
Designated Historic Landmark	L—Historic Landmark Combining District with any other zone district
Mobile Home Park	MH—Mobile Home Park Combining District with any other zone district

Property Restricted by an Open Space Contract	O—Open Space Combining District with any other zone district
Santa Cruz Long-Toed Salamander Habitat	SP—Salamander Protection Combining District with any other zone district
Special Residential Design Standards for the Pleasure Point Neighborhood	PP—Pleasure Point Community Design Combining District with any R-1, RM or PR zoned parcel in the Pleasure Point Neighborhood
<u>Special use and development standards for development of housing at density of 20 units per acre</u>	<u>R--Regional Housing Need Combining District with any RM -2 zoned parcel</u>

SECTION III

Section 13.10.215 is amended to read as follows:

13.10.215 Zoning plan amendment.

(A) Amendment Policy. The County zoning plan and map are intended to reflect a comprehensive assessment and projection of the County's present and future needs for various types of land uses and developments, which are shown broadly on the adopted General Plan and Local Coastal Program Land Use Maps and Zoning Maps. In order to maintain a stable, desirable, well-balanced pattern of development throughout the unincorporated County area, amendments to the zoning plan and map are to be made only upon adequate justification.

(B) Amendment Initiation. Amendment to the zoning plan or map may be initiated by a resolution of intention adopted by the Board of Supervisors upon its own motion or upon the recommendation of the Planning Commission, an application by a property owner or other interested party having the owner's authorization. Applicants considering applying for a General Plan amendment and/or rezoning that would involve the Regional Housing Need R-Combining District may request the Planning Commission adopt a resolution of intention prior to filing an amendment application for processing by the County. Costs of processing the request and the

This modification will allow applicants considering land use amendments that involve the Regional Housing Needs R Combining Zone district an opportunity to obtain direction about whether the amendment is appropriate for study and consideration of change to the General Plan or zoning.

application shall be paid by the applicant. Any Planning Commission action regarding such requested Resolution of Intention may be appealed to the Board of Supervisors under this section rather than the procedures of Title 18.10. A formal public hearing is not required but may be scheduled at the discretion of the Planning Commission or Board of Supervisors.

(C) Amendment Procedures. Amendments to the County zoning plan or map shall be processed as a legislative action requiring a recommendation by the Planning Commission and approval by the Board of Supervisors pursuant to Chapter 18.10 SCCC and in accordance with the requirements of this section.

(D) Planning Commission Recommendation. After a public hearing, which may be continued from time to time, the Planning Commission shall send a written recommendation to the Board. The Commission's recommendation shall include the reasons for the recommendation, the relationship of the proposed zoning amendment to the General Plan, and a statement regarding compliance with the California Environmental Quality Act. The Planning Commission shall recommend approval of a rezoning only if it determines that:

- (1) The proposed zone district will allow a density of development and types of uses which are compatible with the objectives, policies and programs, and land use designations of the adopted General Plan, and conforms with, and is adequate to carry out, the coastal resource protection provisions of the certified Land Use Plan; and
- (2) The proposed zone district is compatible with the level of utilities and community services available to the land; and
- (3) One or more of the following findings can be made:
 - (a) The character of development in the area where the land is located has changed or is changing to such a degree that the public interest will be better served by a different zone district;
 - (b) The proposed rezoning is necessary to provide for a community-related use which was not anticipated when the zoning plan was adopted;
 - (c) The present zoning is the result of an error;
 - (d) The present zoning is inconsistent with designation on the General Plan;

(e) The proposed rezoning is in the best interests of the public health, safety or welfare;

(f) A rezoning from nonresidential to residential use is appropriate in that the site has low commercial potential as reflected by existing vacancies, or outdated low value improvements, or low employment density, or low market demand for commercial use of the site; or

(g) ~~A rezoning from nonresidential to residential use is appropriate in that the site will be rezoned to accommodate a mixed use development that will accommodate both commercial and residential uses, and/or the~~ The site will accommodate housing type(s) that are needed to house the local workforce in support of the local economy; and

The proposed deletion corrects an error. Mixed use is not allowed in any residential zone district.

(4) For amendments located within the Coastal Zone, the proposed rezoning maintains and provides for priority uses consistent with Sections 2.22.1 and 2.22.2 of the certified Land Use Plan.

(E) Planning Commission Recommendation Against Amendment. If the Planning Commission recommends against a proposed amendment, ~~their~~ its action shall be final unless the matter is subsequently considered upon appeal or special consideration by the Board of Supervisors, or unless the action is being processed concurrently with a project that requires review by the Board of Supervisors.

(F) Board of Supervisors Action. The Clerk of the Board shall set a public hearing before the Board of Supervisors within 30 days after the receipt of the report recommending a zoning amendment from the Planning Commission. The Board may approve, modify, or disapprove the Planning Commission's recommendation; provided, that any modification of the proposed zoning amendment (including the imposition of regulations which are less restrictive than those proposed by the Commission or changes in proposed dwelling density or use) which was not previously considered by the Planning Commission shall be referred to the Planning Commission for its report and recommendation. The Planning Commission is not required to hold a public hearing on the referral, and its failure to respond within 40 days shall be deemed to be approval of the proposed modification. Any public hearing of the Board of Supervisors may be continued from time to time as determined by the Board.

(G) Finality of Action on Amendments. No new application for a zoning amendment shall be filed for the same or substantially the same purpose or project on the same parcel within one year after its denial without the consent of the Planning Commission if no appeal was made, or without the consent of the Board of Supervisors if denied by the Board. A denial without prejudice shall allow the filing of a new application at any time for the same or substantially the same purpose or project.

SECTION IV

Section 13.10.326 is amended to read as follows:

13.10.326 Residential density bonus for affordable housing

Within the Coastal Zone, the approving body (or the Coastal Commission on appeal) may approve a density greater than that allowed by the underlying land use and zone district and zone district designations for affordable residential projects additional units under density bonus provisions if the following criteria are met:

(A) ~~The proposed increased density is~~ additional units are consistent with Coastal Act Section ~~30604(f)~~, Government Code Section ~~65915~~ and Chapter 17.12 SCCC; and

~~(B) Any affordable requirements applicable to the project, such as inclusionary units under Chapter 17.10 SCCC, nonresidential to residential designation conversion requirements of SCCC 13.01.060(D), combining district or specific General Plan policies are first met. A project will qualify for density bonus when adding affordable units beyond those required for the project; and~~

~~(C) If located within the Coastal Zone,~~ The project is found to be in conformity with the Local Coastal Program provisions that ensure no impact on Coastal resources (including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections), ~~with the exception of the density provisions.~~

This section is revised to comply with State housing density bonus law. The reference to conversion from non-residential to residential use is to a section of the County Code that should have been deleted in 2015. This is a clean-up item.

SECTION V

Section 13.10.475 is amended to read as follows:

Article VIII-A. Regional Housing Need R Combining District

13.10.475 Purposes of the Regional Housing Need R Combining District.

The purpose of the Regional Housing Need R Combining District is to increase the supply of affordable housing by designating sites for development at 20 units per acre in order to meet the housing needs, including but not limited to requirements of the regional housing needs allocation as required by Article 10.6(commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the California Government Code.

Text added to clarify that the purpose of the district is to meet overall housing needs and is not restricted to sites that were initially designated by the Board of Supervisors in 2007.

SECTION VI

Section 13.10.476 is amended to read as follows:

~~**13.10.476 Designation of the Regional Housing Need R Combining District.** The Regional Housing Need R Combining District shall only be applied to those parcels designated by the Board of Supervisors.~~

Redundant text deleted. All rezoning is required to be approved by the Board of Supervisors pursuant to SCCC 13.10.215(F).

13.10.476 Density, Requirement for Planned Unit Development (PUD), and Permit Processing Standards

(A) Sites that are designated as Regional Housing Need R Combining District shall be developed at 20 units per acre. The use and density shall be by right, in that the use and density for the site are not discretionary, for sites zoned as required in SCCC 13.10.476 subsection (B). For the purposes of calculating density under these provisions, the developable area of each site developed under the Regional Housing Need R Combining District shall be determined at the time the site is designated. Such developable acreage shall be calculated in accordance with SCCC 13.10.700-D definition of "developable land" and SCCC 13.10.700-S definition of "site area, net" except that roadways and driveways shall be included in the developable acreage calculation for the purposes of determining net developable acreage. The number of potential units will be determined by multiplying the developable acreage by 20. Where such calculation

results in a fractional number, the number of units shall be determined by rounding up to the nearest whole number.

(B) Property that is proposed for rezoning into the Regional Housing Need R Combining District shall include a proposed PUD. The PUD application shall include the development

Density provisions in subsection (1) are relocated and revised to clarify that other sites can be considered and rezoned to the R-Combining District. Different ordinance sections separate use and density from development standards to clarify that use and density are the parameters of the regulations that are "by right". Development standards are addressed in 13.10.477. Number of potential units, when fractional, is rounded up rather than down.

envelope and information on the massing, height, and intensity of development sufficient to perform environmental review under the California Environmental Quality Act (CEQA) at the Program level of detail, but is not required to address every aspect of the PUD application under Chapter 18.10, which may then be subject to Project-level CEQA review. The provision of housing at a density of 20 units/acre shall be deemed a specific benefit adequate to satisfy the finding for approval described in SCCC 18.10.183 (B)(3).

(C) After rezoning and the approval of the PUD, applicants must apply for a design review and site development permit which shall be acted upon by the Board of Supervisors. Projects that include a tentative map approval or are in the Coastal Zone are also subject to sections 13.10.476 (D)(1) and/or (2), as applicable.

Subsections (1) (2) and (3) specify that 20 units per acre is the density for property zoned into the Regional Housing Need Combining District, that a PUD is required to be approved with the rezoning, that housing at 20 units/acre constitutes a specific benefit supporting the approval of a PUD, and that development according to the PUD is by right, with a subsequent Level 7 Design Review required, and coastal permit and tentative map as applicable. The latter process follows the process that was applied to the five sites that were initially designated by the Board of Supervisors in 2007 and which is described in SCCC section 13.10.478.

(D) If a coastal permit or tentative map approval is required, it must be included in the application.

(1) Coastal Permit Requirements. Where a site is located in the Coastal Zone and requires a coastal permit for development, the provisions of Chapter 13.20 SCCC apply. Wherever possible, the environmental review performed at the time the site was designated under the

Regional Housing Need R Combining District will be utilized in the processing of the coastal permit.

(2) Subdivisions. Development that includes approval of a tentative map is subject to the provisions of the Subdivision Map Act and Chapter 14.01 SCCC. Where a tentative map is proposed, the public hearing may be expanded to address findings necessary under the Subdivision Map Act. Wherever possible the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the subdivision.

Relocated from SCCC 13.10.478

SECTION VII

Section 13.10.477 is amended to read as follows:

13.10.477 ~~Use and development~~Development standards in the Regional Housing Need R Combining District.

~~(A) Site Selection Criteria. For sites to be designated under the Regional Housing Need R Combining District, the site must be approved by the Board of Supervisors based on the County's housing needs.~~

Redundant text deleted. All rezoning is required to be approved by the Board of Supervisors pursuant to SCCC 13.10.215(F)

~~(B)~~(A) Development Standards.

~~(1) Sites designated under the Regional Housing Need R Combining District shall be developed at 20 units per acre. Development at the required density shall be by right for sites zoned as provided in SCCC 13.10.478. For the purposes of calculating density under these provisions, the developable area of each site designated under the Regional Housing Need R Combining District shall be determined at the time the site is designated. Such developable acreage shall be calculated in accordance with SCCC 13.10.700 D definition of "developable land" and SCCC 13.10.700 S definition of "site area, net" except that~~

~~roadways and driveways shall be included in the developable acreage calculation for the purposes of determining net developable acreage. The number of potential units will be determined by multiplying the developable acreage by 20. Where such calculation results in a fractional number, the number of units shall be determined by rounding down to the nearest whole number.~~

(21) Master Planning. Where contiguous or adjacent parcels are designated under the Regional Housing Need R Combining District, any development proposal for one parcel may be required to include a master plan for development of all contiguous or adjacent parcels which are also designated under the Regional Housing Need R Combining District. The purpose of the master plan is to define interior circulation patterns, exterior site access, fire access to all parcels, infrastructure improvements, common area location and amenities.

(32) Site standards shall be those established by SCCC 13.10.323 for RM 1.5 to RM 4.9, with the following alternative standards also available. ~~Incentives and Concessions. Residential projects proposed under the Regional Housing Need R Combining District are entitled to all of the following alternative development standards. If the applicant requests any incentives or concessions under Chapter 17.12 SCCC, each of these alternative development standards shall be considered as one incentive or concession if incorporated into the residential project.~~

(a) Parking requirements: 1.5 spaces per studio or one-bedroom units; 2.0 spaces for two-bedroom units; 2.5 spaces for three-bedroom units; 3.0 spaces per four-bedroom units. An additional 20 percent of the total number of parking spaces is required to accommodate guest parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of ~~an~~ the approved PUD for each site, based on unique site and design factors;

(b) Height up to 35 feet measured from pre-construction natural grade and up to three stories exclusive of subsurface parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of ~~an~~ the approved PUD for each site, based on unique site and design factors;

(c) Limits on lot coverage and floor area ratio ~~do not apply~~ (may be established for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

~~(d) Size of affordable units not less than 70 percent of the average size of the market rate units and average number of bedrooms 0.5 bedrooms less than the average number of bedrooms in the market rate units;~~

~~(ed) Clustering of affordable units is allowed when 100% of the units to be developed are deed restricted rental units affordable to households earning below 80% of the area median income;~~

~~(fe) Where garages are provided for market rate units, garages are not required for affordable units; and~~

~~(gf) Maintain standard riparian buffer but eliminate 10-foot additional riparian construction buffer.~~

(43) Developments shall encourage energy efficiency, and environmentally sensitive design and building materials.

(54) If located within the Coastal Zone, ~~any allowed incentives and concessions~~the project's development standards must be found to be in conformity with the Local Coastal Program provisions that ensure no impact on Coastal resources, (including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections), and must protect coastal resources (as defined in SCCC 13.20.040).

SECTION VIII

Section 13.10.478 is hereby deleted:

~~13.10.478 By-right development.~~

~~Notwithstanding the requirements of the residential uses chart in SCCC 13.10.322, when required by State law, and in the event that the current adopted housing element includes a program to rezone sites to appropriate densities to address the inadequacy of suitably zoned sites required to meet the regional housing need, those sites identified to fulfill that program shall be developed by right, in that the use and density for the site are not discretionary. For these sites, the following standards and alternative process shall also apply:~~

~~(A) The developable acreage of the site will be determined, and the site will be assigned a number of units equivalent to 20 units per acre at the time the site is designated under the Regional Housing Need R-Combining District.~~

~~(B) — Environmental review, as required by the California Environmental Quality Act, will be completed as part of the process for rezoning of such sites into the Regional Housing Need R Combining District. No further environmental review will be necessary for development of the sites except for development projects requiring a coastal permit or those requiring approval of a tentative map (see subsections (E)(1) and (2) of this section).~~

~~(C) — A planned-unit development permit outlining site-specific development standards and any CEQA mitigation measures will be adopted, in accordance with SCCC 18.10.180 et seq., for each site at the time the site is rezoned into the R Combining District.~~

~~(D) — Development proposals shall undergo a design review process and public hearing limited to design issues only. No discretionary permit is necessary for the density or use of the site. For development proposals under these “by-right” provisions, applicants must apply for a design review and site development permit which shall be acted upon by the Board of Supervisors.~~

This section, directed specifically to the initial -R combining district rezoning program undertaken by the Board of Supervisors in 2007, is now redundant with SCCC 13.10.476 and 13.10.477.

~~(E) — If a coastal permit or tentative map approval is required, it must be included in the application.~~

~~(1) — Coastal Permit Requirements. Where a site is located in the Coastal Zone and requires a coastal permit for development, the provisions of Chapter 13.20 SCCC apply. Wherever possible, the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the coastal permit.~~

~~(2) — Subdivisions. Development that includes approval of a tentative map is subject to the provisions of the Subdivision Map Act and Chapter 14.01 SCCC. Where a tentative map is proposed, the public hearing may be expanded to address findings necessary under the Subdivision Map Act. Wherever possible the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the subdivision.~~

SECTION IX

Section 13.10.700 is amended to read as follows:

13.10.700-D “D” definitions.

“Density bonus/~~incentive zoning~~” means the allocation of development rights that allow a parcel to accommodate ~~additional square footage or~~ additional residential units beyond the maximum for which the parcel is zoned, usually in exchange for the provision of affordable unit(s) pursuant to Chapter 17.12, or preservation of an amenity at the same site or at another location. ~~Under California law, a housing development that provides 20 percent of its units for lower income households, or 10 percent of its units for very low income households, or 50 percent of its units for seniors is entitled to a density bonus.~~

SECTION X

Chapter 17.12 shall be amended to read as follows:

Chapter 17.12

RESIDENTIAL DENSITY BONUSES AND AFFORDABILITY INCENTIVES

17.12.010 Purpose.

The purpose of this chapter is to provide incentives for the production of affordable housing and to comply with the provisions of Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the California Government Code, which mandates the adoption of a County ordinance specifying how the County will comply with that chapter.

17.12.020 Eligibility for regulatory incentives.

A housing development shall be ~~eligible for granted~~ a density bonus and, if requested by the applicant and consistent with the applicable requirements of this chapter, the regulatory concessions and incentives, waivers or reductions of development standards and parking ratios as described in this chapter when the applicant for the housing development seeks and agrees to construct at least any one of the following, and the housing development provides at least the number of very low and lower income units required by SCCC 17.12.025, if applicable. The County may require reasonable documentation to establish eligibility for a requested density bonus, incentives or concessions, waivers or reductions of development standards, and parking ratios. Inclusionary units provided as required by Chapter 17.10 SCCC are eligible for a density bonus and the regulatory incentives described in this chapter if the housing development also meets all requirements for affordable units contained in this chapter.

- (A) Ten percent of the total units of a housing development for lower income households, as defined in Section 50079.5 of the Health and Safety Code;
- (B) Five percent of the total units of a housing development for very low income households, as defined in Section 50105 of the Health and Safety Code;
- (C) A senior citizen housing development as defined in Section 51.3 of the Civil Code, or mobile home park that limits residency based on age requirements for housing older persons pursuant to Section 798.76 or 799.5 of the Civil Code; or
- (D) Ten percent of the total dwelling units in a common interest development as defined in Section 1351 of the Civil Code, for persons and families of moderate income, as defined in Section 50093 of the Health and Safety Code; provided, that all units in the development are offered to the public for purchase.
- (E) Ten percent of the total units of a housing development for transitional foster youth, as defined in Section 66025.9 of the Education Code, disabled veterans, as defined in Section 18541, or homeless persons, as defined in the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units described in this subparagraph shall be subject to a recorded affordability restriction of 55 years and shall be provided at the same affordability level as very low income units.

17.12.025 Eligibility for regulatory incentives—Sites occupied by rental housing in past five years.

- (A) This section applies to housing developments for which an application for a density bonus or other incentives provided by this chapter is made after January 1, 2015, for property on which any of the following rental units are now located, or on which any of the following rental units were located at any time in the five-year period preceding the date of submittal of the application:
 - (1) Rental units subject to a recorded covenant, ordinance, or law restricting rents to levels affordable to very low and lower income households;
 - (2) Rental units subject to any form of public rent control; or
 - (3) Rental dwelling units occupied by very low or lower income households.
- (B) A housing development subject to this section will not be eligible for a density bonuses or any other regulatory incentive provided by this chapter, including an enhanced density bonus, if applicable, unless:
 - (1) Each unit in the proposed housing development, exclusive of a manager's unit or units, is proposed to be affordable to and occupied by very low or lower income households; or

(2) The proposed housing development contains either: (a) the percentage of affordable units specified in SCCC 17.12.020; or (b) the replacement affordable units specified in subsection (C) of this section, whichever is greater. All housing developments subject to this section must provide replacement units as specified in subsection (C) of this section.

(C) The units described in subsection (A) of this section must be replaced as described in this subsection (C) for the housing development to be eligible for a density bonus or any other regulatory incentive provided by this chapter:

(1) The housing development must replace all units that are occupied on the date of application by households with lower or very low incomes with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in the same or lower income category as those occupying the units. If the rental units are subject to or were formerly subject to any form of public rent control in the past five years, the housing development must also replace all units that are occupied on the date of application by households with moderate incomes with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in a moderate or lower income category. Vacant units in a development with occupied units must be replaced with affordable units in the same proportion as the occupied units. If the income level of the household in occupancy is not known, the County shall make the rebuttable presumption that lower income households occupied the units in the same proportion as lower income households comprised the total County households, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.

(2) If all the rental units described in subsection (A) of this section have been vacated or demolished in the five-year period preceding the application, the housing development must replace all units described in subsection (A) of this section that existed on the site when it contained the maximum number of units over the five-year period (the "highpoint") as follows:

(a) If the incomes of households occupying units at the highpoint are known, any units occupied on the date of the highpoint by households with lower or very low incomes must be replaced with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in the same or lower income category as those occupying the units at the highpoint. If the rental units were formerly subject to any form of public rent control in the past five years, the housing development must also replace all units that are occupied on the date of application by households with moderate incomes with units of equivalent size to be made available at affordable rent or affordable housing cost to, and occupied by, households in a moderate or lower

income category. Units that were vacant at the highpoint must be replaced with affordable units in the same proportion as the occupied units.

(b) If the incomes of households occupying units at the highpoint are not known, the County shall make the rebuttable presumption that lower income households occupied the units in the same proportion as lower income households comprised the total County households, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database as shown in the last decennial census. One-half of the required replacement units shall be made available at affordable rent or affordable housing cost to, and occupied by, lower income households, and one-half of the required replacement units shall be made available at affordable rent or affordable housing cost to, and occupied by, very low income households.

(3) The County shall assume that all units subject to a recorded covenant, ordinance, or law restricting rents to levels affordable to very low and lower income households are or were formerly occupied by households at the income levels required by the covenant, ordinance, or law.

(4) All units required by this subsection (C) shall be subject to a recorded affordability restriction with a term of at least 55 years if rental units. ~~and in perpetuity if~~ For-sale units shall be offered at an affordable housing cost and shall be subject to an equity sharing agreement consistent with Government Code section 65915(c)(2) unless in conflict with the requirements of another public funding source or law, and except that inclusionary units provided pursuant to SCCC Chapter 17.10 shall be permanently restricted in accordance with SCCC 17.10.050. All replacement calculations resulting in fractional units shall be rounded up to the next whole number.

17.12.030 Affordability restrictions.

(A) An applicant shall agree to, and the County shall ensure, continued affordability of all low and very low income units that qualified the applicant for the award of the density bonus for 55 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units shall be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

(B) An applicant shall agree to, and the County shall ensure ~~that, the initial occupant of~~ all for-sale units that qualified the applicant for the award of the density bonus are persons and families of very low, low or moderate income, as required, and the County shall enforce an equity sharing agreement pursuant to Government Code section 65915(c)(2)) unless in conflict with the requirements of another public funding source or law, and except that inclusionary units as required by Chapter 17.10 shall be permanently restricted in accordance with SCCC 17.10.050 ~~continued affordability in perpetuity of all~~

~~moderate, low and very low income for sale units that qualified the applicant for the award of the density bonus unless a different period of time is required by a construction or mortgage financing assistance program, or mortgage insurance program. Owner-occupied units shall be available at an affordable housing cost as defined in Section 50052.5 of the Health and Safety Code.~~

17.12.040 Request for incentive or concession.

- (A) An applicant for a density bonus may submit a proposal for specific incentives or concessions that the applicant requests pursuant to this section, and may request a meeting with the County.
- (B) The applicant may request the following number of incentives or concessions:
 - (1) One incentive or concession for projects that include at least 10 percent of the total units for lower income households, at least five percent for very low income households, or at least 10 percent for persons and families of moderate income in a common interest development.
 - (2) Two incentives or concessions for projects that include at least 20 percent of the total units for lower income households, at least 10 percent for very low income households, or at least 20 percent for persons and families of moderate income in a common interest development.
 - (3) Three incentives or concessions for projects that include at least 30 percent of the total units for lower income households, at least 15 percent for very low income households, or at least 30 percent for persons and families of moderate income in a common interest development.
- (C) “Concession” or “incentive,” as used in this chapter, means any of the following:
 - (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, ~~financially sufficient, and~~ actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code section 65915(c).
 - (2) Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses

are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

~~(3) Incentives and concessions provided for developments in the Regional Housing Need R-Combining District as provided in SCCC 13.10.477(B)(3).~~

(34) Priority processing as provided in SCCC 17.10.040.

(45) Other regulatory incentives or concessions proposed by the developer or the County that result in identifiable, ~~financially sufficient~~, and actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in Government Code section 65915(c).

(D) The granting of a concession or incentive shall not require, be interpreted, in and of itself, to require a General Plan amendment, Local Coastal Plan amendment, zoning change, study or other discretionary approval. For purposes of this subdivision, "study" does not include reasonable documentation to establish eligibility for the concession or incentive or to demonstrate that the incentive or concession meets the definition set forth in SCCC 17.12.040(C).

(E) This section does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the County, or the waiver of fees or dedication requirements.

17.12.050 Request for waiver or reduction of standard.

(A) In no case may the county apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria of SCCC 17.12.020 and 17.12.025 at the densities or with the concessions or incentives permitted by this chapter. An applicant may seek a waiver of any development standard that will have the effect of physically precluding the construction of a housing development meeting the criteria of SCCC 17.12.020 and 17.12.025 with the density bonus or with the concessions or incentives permitted by this chapter. An applicant may request a meeting with the County.

(B) Nothing in this subdivision shall be interpreted to require the county to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined by Government Code section 65589.5(d)(2), upon health, safety or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

~~(B)(C)~~ A proposal for the waiver or reduction of development standards pursuant to this section shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to SCCC 17.12.040.

17.12.060 Density bonuses.

(A) For the purposes of this chapter, “density bonus” means a density increase over the otherwise maximum allowable residential density as of the date of application by the applicant to the County. The applicant may elect to accept a lesser percentage of density ~~bonus~~increase, including but not limited to, no increase in density. The amount of density ~~bonus~~increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in SCCC 17.12.020.

(1) For housing developments meeting the criteria of SCCC 17.12.020(A), the density bonus shall be calculated as follows:

Percentage Low Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29
17	30.5
18	32
19	33.5
20	35

(2) For housing developments meeting the criteria of SCCC 17.12.020(B), the density bonus shall be calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

(3) For housing developments meeting the criteria of SCCC 17.12.020(C), the density bonus shall be 20 percent of the number of senior housing units.

(4) For housing developments meeting the criteria of SCCC 17.12.020(D), the density bonus shall be calculated as follows:

Percentage Moderate Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16

Percentage Moderate Income Units	Percentage Density Bonus
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

(5) For housing developments meeting the criteria of SCCC 17.12.020(E), the density bonus shall be 20 percent of the number of the type of units giving rise to a density bonus under that subsection.

(B) Calculations of density bonuses are subject to the following provisions:

(1) Each housing development is entitled to only one density bonus. Where a housing development qualifies for a density bonus under more than one category as described in subsection (A) of this section, the category under which the

density bonus is granted shall be elected by the applicant, and density bonuses from more than one category may not be combined.

(2) All calculations of density bonus units resulting in fractional units shall be rounded up to the next whole number. All calculations of affordable units required to qualify for the density bonus resulting in fractional units shall be rounded up to the next whole number.

(3) The applicant may request a lesser density ~~bonus increase~~ than the housing development is entitled to, including but not limited to no increase, but no reduction will be permitted in the percentages of required affordable units as described in SCCC 17.12.020 and 17.12.025. ~~Regardless of the number of affordable units, no housing development shall be entitled to a density bonus of more than 35 percent.~~

(4) The granting of a density bonus or an enhanced density bonus shall not require, or be interpreted, in and of itself, to require a General Plan amendment, Local Coastal Plan amendment, zoning change, or other discretionary approval.

17.12.065 Enhanced Density Bonus.

(A) For the purposes of this chapter, “enhanced density bonus” means an additional density increase provided by the County in excess of the regular 35 percent bonus provided by State law, for those developments meeting the criteria for an enhanced density bonus as set forth in this Section 17.12.065. Any enhanced density bonus granted pursuant to this Section shall be subject to a maximum resulting project density of thirty dwelling units per acre, after application of the enhanced bonus, notwithstanding the result of any enhanced density bonus calculations provided herein. Applicants for an enhanced density bonus must satisfy all requirements for a density bonus set forth in this Chapter, including but not limited to replacement housing requirements, if applicable, as specified in Section 17.10.025. A project meeting the requirements for an enhanced density bonus shall also be eligible for incentives and concessions, reduced parking requirements, and/or waivers of development standards to the same extent as it would be in conjunction with a density bonus pursuant to Section 17.12.060. Any density increase provided to a project pursuant to Section 17.12.065 shall serve in lieu of, and not in addition to, the density increase provided pursuant to Section 17.12.060.

(1) For housing developments meeting the criteria of SCCC 17.12.020(A) and that provide at least 21 percent Low Income Units, the enhanced density bonus shall be calculated as shown below, up to a maximum density bonus of 50 percent:

<u>Enhanced Density Bonus</u>

<u>Percentage Low Income Units</u>	<u>Percentage Enhanced Density Bonus</u>
<u>21</u>	<u>36.5</u>
<u>22</u>	<u>38</u>
<u>23</u>	<u>39.5</u>
<u>24</u>	<u>41</u>
<u>25</u>	<u>42.5</u>
<u>26</u>	<u>44</u>
<u>27</u>	<u>45.5</u>
<u>28</u>	<u>47</u>
<u>29</u>	<u>48.5</u>
<u>30</u>	<u>50</u>

(2) For housing developments meeting the criteria of SCCC 17.12.020 (B) and that provide at least 12 percent Very Low Income Units, the enhanced density bonus shall be calculated as shown below, up to a maximum density bonus of 50 percent:

<u>Enhanced Density Bonus</u>	
<u>Percentage Low Income Units</u>	<u>Percentage Enhanced Density Bonus</u>
<u>12</u>	<u>37.5</u>
<u>13</u>	<u>40</u>
<u>14</u>	<u>42.5</u>
<u>15</u>	<u>45</u>
<u>16</u>	<u>47.5</u>
<u>17</u>	<u>50</u>

(3) For housing developments meeting the criteria of SCCC 17.12.020 (D) that provide at least 15 percent Moderate Income Units, including any on-site inclusionary units provided in compliance with SCCC 17.10.030(B), the enhanced density bonus shall be calculated as shown below, up to a maximum density bonus of 50 percent:

<u>Enhanced Density Bonus</u>	
<u>Percentage Moderate Income / Inclusionary Units</u>	<u>Percentage Enhanced Density Bonus</u>
<u>15</u>	<u>40</u>
<u>16</u>	<u>41</u>
<u>17</u>	<u>42</u>
<u>18</u>	<u>43</u>
<u>19</u>	<u>44</u>
<u>20</u>	<u>45</u>
<u>21</u>	<u>46</u>
<u>22</u>	<u>47</u>
<u>23</u>	<u>48</u>
<u>24</u>	<u>49</u>
<u>25</u>	<u>50</u>

(4) (A) Affordable housing developments meeting the criteria of SCCC 17.12.020 and that provide 100% of the units in a rental project, excluding any manager's units, as Very Low or Low Income rental units, or 100% of the units in a for-sale project as Low or Moderate Income for-sale units, shall qualify for an enhanced density bonus of 75 percent.

(B) To be eligible for an enhanced density bonus pursuant to this subsection (4), developments must meet the following criteria:

- 1) Project sponsor and/or site owner is a 501(c)(3) non-profit housing development organization and/or public agency;
- 2) Project will be funded in full or part by public subsidies and/or low-income housing tax credits, or is being developed on land provided by the County or other public agency for affordable housing development;
- 3) All rental units in the project, except any property managers' units, will be subject to an affordability restriction of at least fifty-five years;

- 4) Affordable for-sale units shall be subject to an affordable resale restriction for a term of at least 45 years, or longer term as approved by the County and project funders.

17.12.070 Land donations.

When an applicant for a housing development donates land to the County as provided for in this section, the applicant shall be entitled to a 15 percent density bonus as follows:

Percentage Very Low Income	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34

Percentage Very Low Income	Percentage Density Bonus
30	35

This increase shall be in addition to any density bonus allowed by SCCC 17.12.060 up to a maximum combined mandated density increase of 35 percent if an applicant seeks both the density bonus required pursuant to this section and that allowed by SCCC 17.12.060. All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this section shall be construed to enlarge or diminish the authority of the County to require a developer to donate land as a condition of development. An applicant shall be eligible for the increased density bonus described in this section if all of the following conditions are met:

- (A) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or housing development application.
- (B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.
- (C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate General Plan designation, is appropriately zoned with appropriate development standards for development at 20 units per acre, and is or will be served by adequate public facilities and infrastructure.
- (D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the County may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 of the Government Code if the design is not reviewed prior to the time of transfer.
- (E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with SCCC 17.12.030, which shall be recorded on the property at the time of the transfer.
- (F) The land is transferred to the local agency or to a housing developer approved by the County. The County shall require the applicant to identify and transfer the land to the developer.
- (G) The transferred land shall be within the boundary of the proposed development or, if the County agrees, within one-quarter mile of the boundary of the proposed development.

(H) A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or housing development application.

17.12.080 Child care facilities.

(A) When an applicant proposes to construct a housing development that conforms to the requirements of SCCC 17.12.020 and 17.12.025 and includes a child care facility that will be located on the premises of, as part of, or adjacent to the project, the County shall grant either of the following:

- (1) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility.
- (2) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(B) The County shall require, as a condition of approving the housing development, that the following occur:

- (1) The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during which the density bonus units are required to remain affordable pursuant to SCCC 17.12.030.
- (2) Of the children who attend the child care facility, the children of very low income households, lower income households, or families of moderate income shall equal a percentage that is equal to or greater than the percentage of dwelling units that are required for very low income households, lower income households, or families of moderate income in the housing development.

(C) Notwithstanding any requirement of this section, the County shall not be required to provide a density bonus or concession for a child care facility if it finds, based upon substantial evidence, that the community has adequate child care facilities.

(D) "Child care facility," as used in this chapter, means a child day care facility other than a family day care home, including, but not limited to, infant centers, preschools, extended day care facilities, and school age child care centers.

17.12.090 Parking.

(A) Upon the request of the developer, the County shall not require a vehicular parking ratio, inclusive of disabled and guest parking, of a development meeting the criteria of SCCC 17.12.020 and 17.12.025 that exceeds the following ratios, or such lower ratio as established by Government Code section 65915(p)(2), as applicable:

- (1) Zero to one bedrooms: one on-site parking space;
- (2) Two to three bedrooms: two on-site parking spaces;
- (3) Four and more bedrooms: two and one-half parking spaces.

(B) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this section, a development may provide “on-site parking” through tandem parking or uncovered parking, but not through on-street parking.

(C) This section shall apply to a development that meets the requirements of SCCC 17.12.020 and 17.12.025 but only at the request of the applicant. An applicant may request additional parking incentives or concessions beyond those provided in this section.

17.12.100 Condominium conversions.

Condominium conversions may be eligible for a density bonus or incentive under the requirements set forth in Government Code Section 65915.5.

17.12.105 Commercial development contributing affordable housing.

A commercial development contributing affordable housing may be eligible for a development bonus under the requirements set forth in Government Code Section 65915.7.

17.12.110 Application procedures.

(A) All requests for density bonuses and all other regulatory incentives permitted by this chapter shall be submitted concurrently with the application for the first discretionary permit or other permit required for the housing development and shall be processed concurrently with such application.

(B) An applicant’s request for any density bonuses, incentives, parking reductions, and/or waivers permitted by this chapter shall include the following information:

- (1) A site plan depicting the number and location of all proposed market rate units, affordable units, and density bonus units, if any.
- (2) A calculation of the maximum number of dwelling units permitted by the County’s zoning ordinance and general plan for the housing development, excluding any density bonus units.
- (3) The income level of the proposed affordable units.
- (4) A description of any requested incentives, waivers of development standards, or parking reductions and evidence that any requested incentive or concession results in identifiable, ~~financially sufficient~~, and actual cost reductions

to the housing development and is necessary to provide affordable rents or affordable sales prices.

(5) A description of all rental units existing on the site in the five-year period preceding the date of submittal of the application; income of all residents of currently occupied units; if no units are currently occupied, income of residents occupying units when it contained the maximum number of units in the five-year period preceding the date of submittal of the application; and any recorded covenant, ordinance, or law restricting rents to levels affordable to very low and lower income households applicable to the property in the five-year period preceding the date of submittal of the application.

(6) For any requested waiver of a development standard, evidence that the development standard for which the waiver is requested will have the effect of physically precluding the construction of the housing development with the density bonus, incentives, and concessions requested.

(7) If a mixed use building or project is proposed as an incentive, evidence that nonresidential land uses will reduce the cost of the housing development and that the nonresidential land uses are compatible with the housing development and the existing or planned development in the area.

(8) If a density bonus is requested for a land donation, the applicant shall show the location of the land to be dedicated, provide proof of site control, and provide evidence that each of the requirements included in SCCC 17.12.070 can be met.

(9) If a density bonus or incentive is requested for a child care facility, evidence that all of the requirements included in SCCC 17.12.080 can be met.

(10) If a density bonus or incentive is requested for a condominium conversion, evidence that all of the requirements included in Government Code Section 65915.5 can be met.

17.12.120 Review procedures.

All requests for density bonuses, incentives, parking reductions, and/or waivers permitted by this chapter shall be considered and acted upon by the approval body with authority to approve the housing development, with right of appeal to the Board of Supervisors, if applicable.

(A) Before approving an application that includes a request for a density bonus, incentive, parking reduction and/or waiver, the decision-making body shall make the following findings, as applicable:

(1) The housing development is eligible for the density bonus and any incentives, concessions, parking reductions or waivers requested.

- (2) Any requested incentive or concession will result in identifiable, ~~financially sufficient~~, and actual cost reductions.
 - (3) If the density bonus is based all or in part on donation of land, a finding that all the requirements included in SCCC 17.12.070 have been met.
 - (4) If the density bonus or incentive is based all or in part on the inclusion of a child care facility, a finding that all the requirements included in SCCC 17.12.080 have been met.
 - (5) If the density bonus or incentive is based all or in part on the inclusion of affordable units as part of a condominium conversion, a finding that all the requirements included in Government Code Section 65915.5 have been met.
 - (6) If an incentive includes mixed-use development, a finding that nonresidential land uses will reduce the cost of the housing development and that the nonresidential land uses are compatible with the housing development and the existing or planned development in the area.
 - (7) If a waiver is requested, a finding that the development standards for which the waiver is requested would have the effect of physically precluding the construction of the housing development with the density bonus and incentives and concessions permitted.
- (B) If the findings required by subsection (A) of this section can be made, the decision-making body may deny an application for an incentive, concession, or waiver requested only if it makes one of the following written findings, supported by substantial evidence:
- (1) That the incentive, concession, or waiver would have a specific, adverse impact upon public health or safety or the physical environment and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low and moderate income households. For the purpose of this subsection, "specific adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete; or
 - (2) That the incentive, concession, or waiver would have an adverse impact on real property listed in the California Register of Historic Resources; or
 - (3) That the incentive, concession, or waiver is contrary to State or Federal law; or
 - (4) That the incentive or concession ~~is does not required result in identifiable and actual cost reductions~~ to provide for affordable housing costs, as defined in Health & Safety Code Section 50025.5, or for rents for the targeted units to be set

as specified in Government Code section 65915(c) rents or affordable sales prices;
or

(5) That the development standards for which the waiver is requested would not have the effect of physically precluding the construction of the housing development with the density bonus and incentives and concessions permitted.

(C) If the findings required by subsection (A) of this section can be made, the decision-making body may deny an application for a density bonus or incentive that is based on the provision of child care only if it makes a written finding, based on substantial evidence, that the County already has adequate child care facilities.

(D) If any density bonus, incentive, parking reduction, or waiver is approved pursuant to this chapter for a housing development, the applicant shall enter into an affordable housing agreement with the County in a form acceptable to the Planning Director and County Counsel. The affordable housing agreement shall be a legally binding agreement between the applicant and the County to ensure that the requirements of this chapter are satisfied and may be combined with the participation agreement required by Chapter 17.10 SCCC. The executed affordable housing agreement shall be recorded against the housing development prior to final or parcel map approval, or, where a map is not being processed, prior to issuance of building permits for the housing development. The affordable housing agreement shall be binding on all future owners and successors in interest.

(E) Unless otherwise provided by the affordable housing agreement, all required affordable units shall be constructed prior to or concurrently with the construction of market rate units. No final inspection for any new market rate unit in a housing development shall be issued until final inspections have been issued for the required affordable units.

17.12.130 Housing development—Defined.

“Housing development,” as used in this chapter, means a development project for five or more residential units, including mixed-use developments. For the purposes of this chapter, “housing development” also includes a subdivision or common interest development as defined in Section ~~4354~~ 4100 of the Civil Code, approved by the County and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling, as defined in subdivision (d) of Section 65863.4, where the result of the rehabilitation would be a net increase in available residential units. For the purpose of calculating a density bonus, the residential units shall be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower income households are located.

17.12.140 Development standard—Defined.

“Development standard,” as used in this chapter, includes site or construction conditions including, but not limited to, a height or story limitation, a setback requirement, a floor area ratio, an on-site open space requirement, or a parking ratio that apply to a residential development pursuant to any ordinance, General Plan element, Local Coastal Program, specific plan, charter amendment, or other local condition, law, policy, resolution, or regulation. If located within the Coastal Zone, the project’s development standards must ensure no impact on Coastal resources, including but not limited to sensitive habitat, agriculture, public viewshed, public recreational access and open space protections.

17.12.150 Maximum allowable residential density—Defined.

“Maximum allowable residential density,” as used in this chapter, means the density allowed under the zoning ordinance and Land Use Element of the General Plan, or if a range of density is permitted, means the maximum allowable density for the specific zoning range and land use element of the General Plan applicable to the project. Where the density allowed under the zoning ordinance is inconsistent with the density allowed under the Land Use Element of the General Plan, the General Plan density shall prevail.

17.12.160 Coastal Act applicability.

Nothing in this chapter shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act (Division 20 (commencing with Section 30000) of the Public Resources Code).

~~17.12.170 County retained discretion.~~

~~Nothing in this chapter shall be construed to prohibit the County from granting a density bonus greater than what is described in this chapter for a development that meets the requirements of this chapter or from granting a proportionately lower density bonus than what is required by this chapter for developments that do not meet the requirements of this chapter.~~

SECTION XI

Section 17.10.030 is hereby amended to read as follows:

17.10.030 Ownership residential projects—Inclusionary housing requirements.

(A) Ownership Residential Projects Subject to Inclusionary Housing Requirements. An ownership residential project shall be subject to the inclusionary housing requirements of this section if it will result in the creation of:

- (1) Seven or more new dwelling units;
- (2) Parcels providing building sites for a total of seven or more new dwelling units; or
- (3) A combination of new dwelling units and parcels together providing for a total of seven or more new dwelling units.

(B) Inclusionary Housing Requirement. Ownership residential projects identified in subsection (A) of this section shall provide affordable units equal to a minimum of 15 percent of the total number of new dwelling units and new residential building sites in the residential project. All required affordable units shall be constructed within the residential project as required by SCCC 17.10.032. As an alternative to the requirements of this subsection (B), applicants ~~may elect to pay an affordable housing impact fee under SCCC 17.10.034, or they may~~ propose to meet their affordable housing requirement through the alternatives provided in subsection (C) of this section. Ownership residential projects which generate a fractional affordable housing obligation shall pay an affordable housing impact fee equivalent to the fractional amount, as specified in SCCC 17.10.034. The applicant may elect to construct an additional affordable unit instead of paying the fractional fee, and may also consider using the Density Bonus provisions of Chapter 17.12.

(C) Alternatives to Satisfy Inclusionary Housing Requirement. As an alternative to the construction of affordable units within an ownership residential project ~~or the payment of an affordable housing impact fee~~ as required by subsection (B) of this section, the affordable housing requirement may be satisfied by one or a combination of the following alternatives if approved by the decision-making body at the time of the approval of the residential project:

- (1) Payment of an affordable housing impact fee consistent with SCCC 17.10.034, at the rate shown in the Unified Fee Schedule for projects subject to this section (SCCC 17.10.030).
- (2) Participation in the existing unit conversion program pursuant to SCCC 17.10.037; or
- (23) Financial contribution to a nonprofit sponsored affordable housing project on a different site as specified in SCCC 17.10.036. Where an applicant proposes to satisfy the

affordable housing requirement through this alternative, the total affordable unit requirement shall be based on the total number of new dwelling units and new undeveloped residential building sites at both sites; or

- (34) Provision of rental affordable units on site pursuant to SCCC 17.10.039.

SECTION XII

Section 17.10.034 is hereby amended to read as follows:

17.10.034 Residential projects—Affordable housing impact fees.

(A) Fee Authorization. Affordable housing impact fees for residential projects may be established by resolution of the Board of Supervisors and amended from time to time as appropriate. Any such fees shall be part of the County's unified fee schedule. Such fees shall not exceed the cost of mitigating the impact of market rate housing on the need for affordable housing in the County.

(B) Residential Projects Subject to Affordable Housing Impact Fee. An affordable housing impact fee shall be paid for the following residential projects if such a fee has been established by resolution of the Board of Supervisors:

- (1) Ownership residential projects which will result in the creation of six or fewer new dwelling units, lots, or combination of lots and units, unless the owner has elected to construct one affordable unit on site.
- (2) Rental residential projects unless rental affordable units are provided as required by SCCC 17.10.039.
- (3) Fractional affordable housing obligations for ownership residential projects creating seven or more new dwelling units or lots or combination of lots and units, unless the owner has elected to construct one additional affordable unit on site.
- (4) Net new square footage over 500 square feet for additions, replacements and remodels.

(C) Affordable Housing Impact Fee as an Alternative to On-Site Inclusionary Requirements. An applicant for an ownership residential project subject to the requirements of SCCC 17.10.030 and required to construct on-site affordable units may ~~elect to~~ pay the adopted

affordable housing impact fee, if approved by the decision-making body at the time of the approval of the residential project, as an alternative to provision of some or all of the required on-site affordable units. Such request may be granted at the discretion of the decision-making body, appealable to the Board of Supervisors, if a finding is made, based on the evidence before the decision-making body, that granting the request would serve the purposes of this Chapter 17.10 to an equal or greater extent than provision of inclusionary units within the project.

(D) Payment of Affordable Housing Impact Fees.

(1) Any required affordable housing impact fee shall be paid prior to issuance of a final occupancy certificate or final building permit inspection, whichever occurs first, for the first market-rate unit or other habitable structure in the project. ~~building permit, unless the Planning Director approves payment of the fee at final inspection based on hardship.~~ The amount of any affordable housing impact fee shall be based upon the fee schedule in effect at the time of payment.

(2) If the affordable housing impact fee alternative is used for a residential project that must record a participation agreement described in SCCC 17.10.030(F), the project applicant may opt to pay this fee for the subject parcel(s) prior to recordation of the final map or final parcel map rather than record the agreement.

(E) Fee Payments Nonrefundable. All affordable housing impact fee payments shall be nonrefundable once they have been received by the County.

SECTION XIII

Section 17.10.083 is hereby amended to read as follows:

17.10.083 Nonresidential projects—Affordable housing impact fees.

(A) Fee Authorization. Affordable housing impact fees for nonresidential projects may be established by resolution of the Board of Supervisors and amended from time to time as appropriate. Any such fees shall be part of the County's unified fee schedule. Such fees shall not exceed the cost of mitigating the impact of ~~market-rate housing~~ nonresidential projects on the need for affordable housing in the County.

This change is to correct an error in the current text.

(B) Payment of Fee. Any required affordable housing impact fee shall be paid prior to issuance of a final occupancy certificate or final building permit inspection, whichever occurs first, for the any non-residential structure within the project. ~~building permit, unless the Planning Director approves payment of the fee at final inspection based on hardship~~ The amount of any affordable housing impact fee shall be based upon the fee schedule in effect at the time of payment.

(C) Provision of Affordable Units. As an alternative to payment of the affordable housing impact fee, an applicant for a nonresidential project may submit a request to mitigate the affordable housing impacts of such development through the construction of affordable units. The decision-making body may approve or conditionally approve such an alternative if the decision-making body determines, based on substantial evidence, that provision of the affordable units is consistent with the County General Plan and Housing Element and will provide as much or more affordable housing at the same or lower income levels. ~~Any affordable units provided under this section shall comply with all provisions for affordable units contained in this chapter.~~

Amendments to paragraph (B) provide the same timing for impact fee payments as is provided to residential projects elsewhere in this Chapter.

Amendment to paragraph (C) removes a redundancy in the current text.



**County of Santa Cruz
Planning Commission Minutes**

Planning Department, 701 Ocean Street, Suite 400, Santa Cruz, CA 95060

Meeting Date : Wednesday, August 22, 2018 9:00 AM

Location : Board of Supervisors Chambers, Room 525
County Government Center
701 Ocean Street
Santa Cruz, CA 95060

VOTING KEY

Commissioners: Chair: Dann, ViceChair: Shaffer Freitas, Guth, Lazenby, Shepherd

Alternate Commissioners: Holbert, Aramburu, Jones, Khandelwal, Gonzales

REGULAR AGENDA ITEMS

1. Roll Call
2. Additions and Corrections to Agenda
3. Declaration of Ex Parte Communications
4. Oral Communications

SCHEDULED ITEMS

5. Approval of Minutes

To approve the minutes of the July 11, 2018 Planning Commission meeting as submitted by the Planning Department.

ACTION: Approve minutes as prepared by staff.

MOTION/SECOND: Guth, Shaffer Freitas

AYES: Guth, Shaffer Freitas, Dann

NOES: None

ABSTAIN: None

ABSENT: Lazenby, Shepherd

- 6. Public Hearing to Consider an Ordinance for Proposed Amendments to Santa Cruz County Code Chapters 13.01, 13.10, 17.10, and 17.12 pertaining to Zoning and General Plan Amendments, Affordable Housing Requirements, Residential Density Bonus and Affordable Housing Incentives, and R-Combining District Regulations. The proposed amendments are exempt from the California Environmental Quality Act. Amendments to Chapters 13.01 And 13.10 are Coastal Implementing, and those amendments will require Coastal Commission certification after County adoption.**

APPLICANT: County of Santa Cruz

SUPERVISORAL DISTRICT: County-wide

PROJECT PLANNER: Suzanne Isé (831) 454-5166

EMAIL: Suzanne.Ise@santacruzcounty.us

ACTION: This item will be continued to the hearing of September 26, 2018

MOTION/SECOND: Guth, Shaffer Freitas

AYES: Guth, Shaffer Freitas, Dann

NOES: None

ABSTAIN: None

ABSENT: Lazenby, Shepherd

REGULAR AGENDA ITEMS

7. **Planning Director's Report**
 8. **Report on upcoming meeting dates and agendas**
 9. **County Counsel Report**
-

APPEAL INFORMATION

Denial or approval of any permit by the Planning Commission is appealable to the Board of Supervisors. The appeal must be filed with the required appeal fee within 14 calendar days of action by the Planning Commission. To file an appeal you must write a letter to the Board of Supervisors and include the appeal fee. For more information on appeals, please see the "Planning Appeals" brochure located in the Planning Department lobby, or contact the project planner.

APPEALS OF COASTAL PROJECTS

(*) This project requires a Coastal Zone Permit which is not appealable to the California Coastal Commission. It may be appealed to the Board of Supervisors; the appeal must be filed within 14 calendar days of action by the Planning Commission.

(**) This project requires a Coastal Zone Permit, the approval of which is appealable to the California Coastal Commission. (Grounds for appeal are listed in the County Code Section 13.20.110) The appeal must be filed with the Coastal Commission within 10 business days of receipt by the Coastal Commission of notice of local action. Denial or approval of the Coastal Zone Permit is appealable to the Board of Supervisors; the appeal must be filed within 14 calendar days of action by the Planning Commission.

Note regarding Public hearing items: If any person challenges an action taken on the foregoing matter(s) in court, they may be limited to raising only those issues raised at the public hearing described in this notice or in written correspondence delivered to the Planning Commission at or prior to the public hearing.

Agenda documents may be reviewed at the Planning Department, Room 420, County Government Center, 701 Ocean Street, Santa Cruz.

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. The Board of Supervisors chambers is located in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the ADA Coordinator at 454-3137 (TDD/TTY number is 711) at least 72 hours in advance of the meeting to make arrangements. As a courtesy to those persons affected, please attend the meeting smoke and scent free.

EXHIBIT J
PUBLIC COMMENTS

EXHIBIT J



August 19, 2018

Rachel Dann, Chair
Santa Cruz County Planning Commission
701 Ocean Street, Suite 400
Santa Cruz, CA 95060

ATTENTION: Susan Ise, Project Planner

RE: Public Hearing to Consider an Ordinance for Proposed Amendments to Santa Cruz County Code Chapters 13.01, 13.10, 17.10, and 17.12 pertaining to Zoning and General Plan Amendments, Affordable Housing Requirements, Residential Density Bonus and Affordable Housing Incentives, and R-Combining District Regulations

Dear Chairperson Dann and Commissioners Freitas, Guth, Lazenby and Shepherd:

I am writing on behalf of the Santa Cruz Area Chamber of Commerce and over 600 member companies (large, medium and small) who employ more than 23,000 people throughout the County. Every year, we poll our members to understand what policy issues they see as the most challenging obstacle in running a business in the county. Access to affordable housing is the #1 issue impacting their ability to recruit and retain employees in our region. The primary issue is simple: The unsustainable affordability challenge ranks our County of the least affordable places in the world according to a recent international affordability housing study.

The business community strongly supports these recommendations because we believe they strengthen our local labor market by increasing the supply of affordable units. Hopefully, these recommendations can help reduce the number of highly skilled workers who leave our county or commute long distances because they can't afford to live here as wages fail to keep pace with housing costs and availability. When our county is cited as the Number One least affordable

Santa Cruz Area Chamber of Commerce * 725 Front Street, Suite 401 * Santa Cruz, CA 95060
831-457-3713 Phone * 831-423-1847 Fax
The SCACoC is a 501c (6) non-profit corporation * Employer ID 94-0841660

EXHIBIT J 4



While these near-term amendments do not on their own solve our housing crisis, they demonstrate a starting point and a pro-active response to the lack of affordable housing in our community.

As we build more affordable housing, it is essential that the county do as much as possible that rewards increase levels of affordability with greater density. The home building community in our region are some of the most environmental responsible builders in California. We should find planning processes that reward them for taking the financial risks associated with housing production in a very high demand, low return on investment region. These incentives would lead to the production of smaller more densified housing products which is sorely lacking in our county.

These recommendations represent the hard work and collaboration of historically divergent community constituencies, including developers, the business community, affordable housing advocates and government leaders;

We will have the opportunity in November to pass an Affordable Housing Bond Measure that will provide critical local matching to new state investments in housing; and therefore we need more provisions like those contained in these recommendations to encourage the creation and completion of affordable housing projects.

Thank you in advance with considering our request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Casey Beyer', followed by a horizontal line.

Casey Beyer
Chief Executive Officer

cc: Supervisors Friend, Caput, Coonerty, Leopold and McPherson

Santa Cruz Area Chamber of Commerce * 725 Front Street, Suite 401 * Santa Cruz, CA 95060
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Ricardo de la Cruz

P.O. Box 1259 • Capitola, California 95010 • rdlc13@gmail.com • (831) 915-4800

County of Santa Cruz Planning Commission
County of Santa Cruz Planning Department
700 Ocean Street, Room 400
Santa Cruz, CA 95060

August 21, 2018

(831) 454-2580

Subject: In Care Of Suzanne Ise, Principal Planner.

Amend Density Bonus Policies to include Density Bonus and Affordable Housing over several
Parcels in the same Supervisor's District; (Re: Planning Commission Agenda Item No. 6 – August
22, 2018).

Dear County of Santa Cruz Planning Commissioners,

We are respectfully requesting the County Planning Commissioners to consider modifying Section XI, 17.10.030 that reads: "All required affordable housing units shall be constructed within the residential project as required by SCC 17.10.032 (8-22-18 Staff Report, page 39)." Our proposal is to allow new residential developments receive Bonus Benefits and provide Affordable Housing Requirements over more than one parcel not adjacent to each other. However, all parcels would be located in the same Supervisorial District.

We believe that this small change will offer additional opportunities to small in-fill site. Unfortunately, without modifying the proposed Density Bonus amendments in Section XI, 17.10.030, it is reasonable to assume the new change will reduce the full potential for new in-fill developments that should provide additional Senior and Affordable Housing Units.

The County Planning Commission could require this decision to be discretionary on a case-by-case basis. Such a policy would allow the County decision-makers final approval as to location, terms, and development schedules, along with all appropriate zoning requirements.

Further, we are respectfully requesting the County Planning Commission to consider increasing Density Bonuses and other incentives for Senior Housing and Affordable Housing, as defined by California Government Codes (Density Bonus: 65915-65918 & Civil Code: Section 51.3 or 51.12), and more over, offer stronger support to Market Rate Developers providing affordable housing. Without help from all housing sectors (for-profit and non-profit development groups a like) the County of Santa Cruz will continue to struggle to find new housing, which contribute to correcting the County's housing short-fall.

Ricardo de la Cruz

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If this request has merit, perhaps we could meet with staff to flush out the details.

Sincerely,

Ricardo de la Cruz

Copies To:

County Board of Supervisors Chair (Zach Friends)
Kathleen Molloy, Planning Director
Suzanne Ise, Principal Planner
Julie Conway, County Housing Manager
Porcila Perez Wilson, Housing Specialist
Sheila McDaniel, Senior Planner

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Ricardo de la Cruz

Westwind Memory Care and Senior Living

P.O. Box 1259 • Capitola, California 95010 • rdldc13@gmail.com • (831) 915-4800

County of Santa Cruz Housing Advisory Commission
County of Santa Cruz Planning Department
700 Ocean Street, Room 400
Santa Cruz, CA 95060

September 5, 2018

(831) 454-2580

Subject: Allow Residential Density Bonuses and Affordability Incentives on more than one geographically non-contiguous sites, with all parcels located in the same Supervisorial District, or County Planning District.

Dear County of Santa Cruz Housing Advisory Commissioners,

The request we are presenting to you today, which would amend parts of the County's new proposed Density Bonus Development Policies, has been previously presented to the County of Santa Cruz Board of Supervisors, Planning Commissioners, and the County Housing Staff.

PROPOSAL: Add to language to County Code Sections: Chapter 13.10.326 (Residential density bonus for affordable housing); Chapter 17.12 (Residential density bonus and affordability incentives); and other appropriate County Code Sections that allows the approving body (or the Coastal Commission on appeal) to provide the same Density Bonuses and other associated benefits to infill residential projects developing on different parcels not adjacent to each other, as allowed to a single development site or parcel.

SITING CRITERIA: All parcels would be located in the same Supervisorial District.

We believe that this small change will offer additional opportunities to small in-fill sites. Unfortunately, without modifying the appropriate sections in the County's Density Bonus Amendments it is reasonable to assume the new change will reduce the full potential for new in-fill developments that should provide additional Senior and Affordable Housing Units.

The County could require this decision to be discretionary on a case-by-case basis. Such a policy would allow the County decision-makers final approval as to location, terms, and development schedules, along with all appropriate zoning requirements.

Further, our research finds that State Law supporting Senior Housing and Affordable Housing, as defined by California Government Codes (Density Bonus: 65915-65918 & Civil Code: Section 51.3 or 51.12), does not prohibit the County from adopting such measures. These improvements to the County Code offer stronger support to Market Rate Developers providing affordable housing within their projects. Without help from all housing sectors (for-profit and non-profit development groups a like) the County of Santa Cruz will continue to struggle to find new housing, which contribute to correcting the County's housing short-fall.

Ricardo de la Cruz

Westwind Memory Care and Senior Living

P.O. Box 1259 • Capitola, California 95010 • rdlc13@gmail.com • (831) 915-4800

If you agree with the merits of our proposal, we are asking you, along with the County of Santa Cruz Board of Supervisors and Planning Commission to assist us in including this change in the County's new proposed Density Bonus Development Policies. We are available to meet with you and the County to flush out the details.

Sincerely,

Ricardo de la Cruz

Copies To:

County Board of Supervisors Chair (Zach Friends)	zach.friends@santacruzcounty.us
County Planning Commissioners	Care Of: Suzanne Ise
Kathleen Molloy, Planning Director	kathleen.molloy@santacruzcounty.us
Suzanne Ise, Principal Planner	suzanne.ise@santacruzcounty.us
Julie Conway, County Housing Manager	julie.comway@santacruzcounty.us
Porcila Perez Wilson, Housing Specialist	porcila.wilson@santacruzcounty.us
Sheila McDaniel, Senior Planner	sheila.mcdaniel@santacruzcounty.us
