



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

May 1, 2019

AGENDA DATE: May 8, 2019

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

SUBJECT: PUBLIC HEARING TO CONSIDER THE BOARD OF SUPERVISOR'S REVISIONS TO THE PLANNING COMMISSION'S RECOMMENDED GENERAL PLAN/LOCAL COASTAL PROGRAM AND COUNTY CODE CHAPTER 13.10 AMENDMENTS FOR CREATION OF A PERMANENT ROOM HOUSING (PRH) COMBINING ZONE DISTRICT, WITH ASSOCIATED CEQA NOTICE OF EXEMPTION

Recommended Action(s):

- 1) Conduct a public hearing to review proposed amendments to Santa Cruz County General Plan/Local Coastal Program and County Code that would establish a Permanent Room Housing (PRH) Combining Zone District, with revisions directed by the Board of Supervisors, and
- 2) Adopt the attached resolution (Exhibit A) recommending that the Board of Supervisors:
 - a. Affirm that the proposed amendments are exempt from CEQA and direct staff to file the California Environmental Quality Act (CEQA) Notice of Exemption (Exhibit B) with the Clerk of the Board, and
 - b. Adopt amendments to General Plan/Local Coastal Program and County Code (Exhibits C and D) enabling and creating the PRH Combining Zone District.

EXECUTIVE SUMMARY

The proposed project implements Program 4.5 of the County's General Plan Housing Element by establishing a Permanent Room Housing (PRH) Combining Zone District. This district would recognize conversion of obsolete visitor accommodations and care facilities to residential use. The Land Use Element of the General Plan and Chapter 13.10 of the County Code would be amended to establish the district. Because it recognizes existing uses, the project is exempt from CEQA review. Amendments to Chapter 13.10 are Coastal Implementing and will require Coastal Commission certification after County adoption.

On March 26, 2019, the Board of Supervisors held a public hearing to consider the proposed amendments to the General Plan/LCP and County Code, as recommended by Planning Commission Resolution 2019-01. The Board continued the public hearing to April 23, 2019 and directed staff to make the certain changes to the draft ordinance. Prior to the April 23 continued hearing, Planning Department staff met with Coastal Commission staff to review the current version of the proposed General Plan and County Code Amendments. On April 23, 2019, staff presented a revised General Plan Amendment and ordinance incorporating both Board direction and responding to concerns

expressed by Coastal Commission staff. The Board of Supervisors directed staff to make additional changes to the draft ordinance and referred the proposed amendments back to the Planning Commission for review and recommendation.

Staff recommends that the Planning Commission conduct a public hearing and adopt the attached resolution (Exhibit A) recommending Board of Supervisors affirm a CEQA Notice of Exemption (Exhibit B) and approve General Plan/LCP Amendments and an ordinance establishing the PRH Combining Zone District (Exhibits C and D).

BACKGROUND

On January 23, 2019, the Planning Commission held a public hearing to consider General Plan/LCP Amendments and County Code updates to establish a new PRH Combining Zone District, and concurrently considered Zoning Plan Amendments and Use/Development Permits to add nine properties to the new district. The PRH Combining Zone District would implement the County's Housing Element Program 4.5 by providing a regulatory pathway to allow long-term (30 days or more) housing on former visitor accommodation and care facility properties. These properties can serve an important role in addressing the housing crisis by converting rooms or cabins to housing units that are affordable by design due to their small unit size.

The Commission was supportive of the PRH Combining Zone District in concept, but asked staff to make the following changes and return on February 13, 2019 for further deliberation at a continued public hearing:

- Increase the minimum parking requirement from 0.75 to 1 space per PRH unit. Exceptions to this requirement would be considered on a project-by-project basis, per proposed SCCC section 13.10.429.
- Raise the level of review for stand-alone PRH Use/Development permits from Level 4 (public notice) to Level 6 (Planning Commission public hearing).
- Disallow short-term (less than 30 day) rentals in PRH units.
- Disallow short-term rentals on residentially-zoned properties in the PRH Combining Zone District.
- Allow short-term rentals in up to 30% of units on commercially- and special-use-zoned properties, if visitor accommodation is an allowed use in the underlying zone district. Exceptions to this maximum percentage requirement would be considered on a project-by-project basis, per proposed SCCC section 13.10.429.

The Commission also continued consideration of the nine property-specific Zoning Plan Amendments and Use/Development Permits until after the General Plan/LCP and County Code Amendments have been finalized by the Board of Supervisors and Coastal Commission. On February 13, 2019, the Commission voted to recommend approval of the General Plan/LCP and County Code Amendments, as revised.

On March 26, 2019, the Board of Supervisors held a public hearing to consider the proposed amendments to the General Plan/LCP and County Code, as recommended by Planning Commission Resolution 2019-01. The Board continued the public hearing to April 23, 2019 and directed staff to make the following changes to the draft ordinance:

- Disallow short-term rental use on all parcels and units in the PRH Combining Zone District.
- Investigate the possibility of requiring and/or stating the intention that PRH units be rented by moderate- or low-income tenants who live or work in Santa Cruz County, and that preference

be given to retain existing tenants.

- Add findings for denial to the standard Zoning Plan Amendment and Use/Development Permit findings for PRH, that would enable applications for rezoning to be denied and Use/Development Permits to be denied or revoked, on the basis of outstanding zoning code enforcement cases, criminal cases, non-payment of transient occupancy tax (TOT), and other identifiers of "bad actors".
- Clarify the criteria for "pass" or "fail" on the health/safety inspection for PRH units.
- Require periodic inspections (perhaps every five years) to confirm ongoing "pass" as a condition of approval for PRH Use/Development Permits.
- Require reporting of rent level information for PRH units as part of the initial application and at periodic inspections.

Prior to the April 23 continued Board hearing, Planning Department staff met with Coastal Commission staff to review the current version of the proposed amendments. It was agreed that existing General Plan/LCP policies encourage low-income housing in the Coastal Zone (Policy 2.23.1), which is supportive of the PRH district, while also disallowing conversion of visitor accommodations to housing (Policies 2.16.9 and 2.22.2). Coastal staff expressed general concern about compliance with coastal policies to protect lower cost visitor accommodations and coastal priority uses, as well as specific requests for the code to be more explicit about the need for Local Coastal Plan Amendment when rezoning into PRH and the requirement for a use permit. Based on this discussion, and the fact that the Coastal Act recognizes that conflicting policies sometimes occur and must be balanced, staff made the following additional changes to the ordinance and General Plan Amendment:

- Ordinance:
 - Clarify that in the Coastal Zone, a Local Coastal Plan Amendment is required as part of the Zoning Plan Amendment process.
 - Clarify that conversion of active visitor accommodations is not allowed in the Coastal Zone.
 - Add a finding that in the Coastal Zone, it must be demonstrated that a visitor accommodation use is functionally obsolete or economically infeasible.
- General Plan Amendment:
 - Modify General Plan Objective 2.16 to add protection of lower cost visitor serving accommodations in the Coastal Zone as an objective.
 - Modify General Plan/LCP policy 2.16.9 to clarify the rules regarding conversion of visitor accommodation to residential use inside and outside the Coastal Zone, including the requirement for a use permit.
 - Remove language from General Plan Policy 2.16.9 that refers to a requirement that 15% of the units involved in any conversion from Visitor Accommodation, as inclusionary and other affordability requirements are clearly specified in the Housing Element and in Chapter 17 of the County Code.

On April 23, staff presented the Board of Supervisors with a revised ordinance and General Plan Amendments reflecting both Board direction as well as responding to Coastal concerns. The Board directed staff to make the following additional changes to the ordinance:

- Allow short-term rentals in the PRH district if:
 - Short-term rental use is existing and legally allowed in the underlying zone district
 - Property owner is current on payment of transient occupancy tax
 - Maximum 30% of units on parcels in the district may be short-term rental units
- Provide further detail for the process for revocation of a PRH Use/Development permit.

- Add the following findings for denial or revocation: three or more code complaints (rather than citations), adverse neighborhood impacts, and the PRH use not substantially meeting the purposes of the district.

The Board referred the amendments back to the Planning Commission due to the substantive changes that had been made, and continued their public hearing to May 21, pending Planning Commission recommendation.

ANALYSIS

This staff analysis focuses on changes made to the proposed amendments since the Planning Commission last reviewed this item on February 13, 2019. Please review Exhibits C and D for the full text of these amendments.

General Plan/LCP Amendments

The General Plan/LCP Chapter 2 must be amended to enable establishment of the new PRH Combining Zone District in the County Code. The Planning Commission previously reviewed updates to Objective 2.11 and Policies 2.11.1 and Objective 2.12, and new policies 2.11.2 and 2.12.4. There have been minor text changes to these amendments from the version that was recommended in Planning Commission Resolution 2019-01, but no substantive changes.

In response to comments from the Coastal Commission, Objective 2.16 has been modified to explicitly state that provision of lower-cost visitor accommodation in the Coastal Zone is an objective, where feasible. Also, Policy 2.16.9 has been updated to state that conversion of visitor accommodation to residential use in the Coastal Zone is allowed if it can be demonstrated that the visitor accommodation use is obsolete. In addition, language in Policy 2.16.9 referring to that the inclusionary housing requirement of 15% has been removed, because inclusionary and other affordability requirements are clearly specified in the Housing Element and in Chapter 17 of the County Code. A partial reference to applicable affordability requirements in this location in the GP may lead to confusion, especially since the inclusionary requirement no longer applies to rental units.

Exhibit C is a strikeout-underline copy of the General Plan/LCP Amendment with track changes reflecting changes from the version that the Planning Commission recommended with Resolution 2019-01.

County Code Amendments

The PRH Combining Zone District would be incorporated into to the County Code as new sections 13.10.424 through 13.10.429. Also, County Code sections 13.10.170(d), 13.10.322, 13.10.332, 13.10.382(A), 13.10.400, and 13.10.700 would be modified to accommodate the new district. SCCC Chapter 13.10 implements the Local Coastal Plan and regulates development in the Coastal Zone when there are not conflicts between Chapters 13.10 and 13.20.

There have been multiple substantive changes to the proposed ordinance since the version included in Planning Commission Resolution 2019-01. Exhibit D presents a strikeout-underline copy of the ordinance with track changes reflecting changes from the version that the Planning Commission recommended with Resolution 2019-01. Each substantive update is discussed below.

Ordinance Purpose to serve Local and Low- and Moderate-Income Tenants. Proposed ordinance section 13.10.425 has been updated to add an additional purpose:

- (A) Preserve safe housing that is affordable by design and often occupied by low- and moderate-income residents who live or work in Santa Cruz County.

By adding this purpose to the zone district, the County is affirming that an intention of the district is to preserve housing for vulnerable tenants. The Board stopped short of requiring tenant residency or income level restrictions because residency restrictions could violate the Fair Housing Act, and income restrictions would cause fewer properties to apply for inclusion in the district.

Coastal Zone Requirements. In response to Coastal Commission staff comments, a footnote has been added to section 13.10.170[D] clarifying that Zoning Plan Amendments in the Coastal Zone are Local Coastal Plan Amendments. Footnotes have also been added to this table and to residential, commercial and special use zone district use charts, and section 13.10.426, to state explicitly that Coastal Zone properties must adhere to Local Coastal Plan policies related to conversion of priority uses.

Coastal staff also expressed concern that the ordinance did not state that visitor accommodations are a higher priority use than residential use in the Coastal Zone. Section 13.10.425 (Purposes of the PRH Combining District) has been modified to clarify that conversion of active visitor accommodations is not allowed in the Coastal Zone and the district recognizes the importance of preservation of lower-cost visitor accommodation in the Coastal Zone.

To further emphasize that conversion of former visitor accommodation property in the Coastal Zone is only possible where visitor accommodation use is obsolete or infeasible, proposed code section 13.10.428 (Application processing) has been updated to add a finding for approval in the Coastal Zone as follows:

13.10.428(A) Approvals Required

(1) Zoning Plan Amendments.

(i) Findings required:

(a) Zoning Plan Amendment Findings per 13.10.215(D)(3)

(b) In the Coastal Zone, former visitor accommodations are functionally obsolete or economically infeasible, documented by conditions such as low occupancy rates and operation as residential use for three or more years.

(2) Use/Development Permits

(i) Findings required:

(a) Use/Development Permit Findings per 13.10.215(D)(3)

(b) In the Coastal Zone, former visitor accommodations are functionally obsolete or economically infeasible, documented by conditions such as low occupancy rates and operation as residential use for three or more years.

Short-Term Rental Use Allowed with Special Conditions. On April 23, 2019, the Board revisited the subject of short-term rentals in the PRH district. One public speaker representing a property that had applied for inclusion in the proposed district with six PRH units, indicated that this property would not be able to participate in the district if short-term rental were not allowed. The Board considered a separate motion adding short-term rentals back into the ordinance and voted to allow short-term rental use subject to conditions. Pursuant to direction from the Board, the ordinance now states that short-term rental use is allowed on PRH-zoned properties as follows:

13.10.427(K) Short-Term Rentals. Short-term (less than 30 day) rentals are allowed in units in the PRH Combining Zone District if short-term rentals meet the following conditions:

(1) Short-term rental use is existing at the time the PRH application is submitted and is legally allowed in the underlying zone district.

(2) Property owner is current in payment of Transient Occupancy Tax (TOT).

(3) Maximum 30% of units on parcels in the PRH Combining Zone District may be short-term rental units.

The Planning Commission may wish to discuss whether a property owner should be able to construct a new short-term rental unit that did not replace an existing housing unit, as long as all other use and development conditions are met. If that is the case, clarifications could be added to the proposed ordinance text.

Also, the Commission may wish to discuss whether the term "current in payment of TOT" should be clarified to define "current" for the past three years, to maintain internal consistency with the "Findings of Denial and Revocation" section of the ordinance. In addition, the Commission may wish to further consider whether the ordinance should allow a property owner the opportunity to pay up to three years retroactive TOT in order to become current in TOT payment, as is allowed by the County's Vacation Rental and Hosted Rental ordinances (SCCC 13.10.694[D][1][f] and 13.10.690[E][1][c][i]). In that case, staff can provide language to update the ordinance text.

Five-Year Review and Inspection. The draft ordinance has been updated to add the following five-year inspection requirement:

13.10.428(C) Five-Year Review Requirement. PRH Use/Development Permits shall include a condition of approval requiring a review by County staff at least once every five years from the date of permit issuance to confirm that the property is continuing to meet the use and development standards outlined in 13.10.427, and to verify compliance with other conditions of approval. The review shall include the following:

- (1) Health/safety special inspection by County Building staff. The completed inspection checklist for each five-year special inspection, documenting that the property meets inspection requirements, must be added to the Use/Development Permit file after completion of the special inspection. Inspection of PRH units shall require tenant permission or a warrant (in the case of an immediate threat to health and safety) as required by applicable law, but the inability to conduct inspections may be cause for revocation of PRH Permits.
- (2) Any repairs required in order to pass the inspection checklist must be completed within 90 days of the inspection or as determined by the Building Official, and additional special inspection(s) must be conducted to verify that all repairs have been completed.
- (3) In order to monitor the intended use of PRH units as "affordable by design" to residents and the workforce, at the time of each five-year special inspection a report regarding rent rates for each PRH unit shall be provided.
- (4) Planning staff shall make the following finding:
 - i. The property remains in compliance with all requirements of the PRH Use/Development Permit and does not meet any of the reasons for denial listed in section 13.10.428(D)(1).

By adding this periodic special inspection requirement as a condition of approval for keeping PRH Use/Development permits active, the ordinance provides additional assurance that PRH units would be properly maintained over time.

The front page of the Inspection Checklist has also been updated to state that the answers to all questions on the checklist must be marked "Yes" or "N/A" for all units for property to pass inspection.

The revised inspection checklist with the updated cover page is provided as Exhibit E.

Collect Rent Level Information for PRH Units. Although the ordinance does not require deed-restricted affordable units, the Board directed staff to require reporting of rent levels as a submittal requirement for Use/Development Permit applications, and for five-year inspections:

13.10.428(B) Submittal Requirements

(6) Proof of long-term rental at each proposed PRH unit (e.g. lease agreements) indicating the unit number and the rent charged per unit. Personal tenant information should be blacked out.

13.10.428(C) Five-Year Review Requirement

(3) In order to monitor the intended use of PRH units as “affordable by design” to residents and the workforce, at the time of each five-year special inspection, a report regarding rent rates for each PRH unit shall be provided.

The purpose of collecting this rent information is to provide information on who the PRH units are serving, and how PRH rent levels compare to affordable rent thresholds for moderate- and low-income renters. This will also assist County staff in properly reporting PRH units in our annual Regional Housing Needs Assessment (RHNA) report.

Findings and Process for Denial or Revocation of PRH Zoning Plan Amendments and Use/Development Permits. The Board directed staff to add findings of denial or revocation in order to clearly provide a mechanism for the Planning Commission and Board to deny a Zoning Plan Amendment and/or deny or revoke a Use/Development Permit for “bad actors” with outstanding code enforcement and other issues. The proposed ordinance has been revised to add the following findings of denial or revocation for PRH applications:

(D) Denial or Revocation of Zoning Plan Amendment and/or Use/Development Permit.

(1) Findings for Denial or Revocation. A Zoning Plan Amendment and/or Use/Development Permit may be denied, and a Use/Development Permit may be revoked, for any of the following reasons:

- i. Discovery of untrue statements submitted on an application.
- ii. Failure to comply with any of the Use/Development standards listed in 13.10.427.
- iii. Failure to pass a required five-year inspection to maintain the Use/Development Permit.
- iv. Active County Code violation cases that are unrelated to permanent housing use on the property.
- v. Three or more documented, significant violations of County Code within the last two calendar years. Evidence of significant violation includes, but is not limited to, copies of citations, verified complaints, written warnings, or other documentation filed by law enforcement.
- vi. Active criminal cases on the property.
- vii. Failure to pay transient occupancy tax for historical short-term rental use on the property within the past three years.

viii. An unacceptable level of adverse neighborhood impacts is being generated by the PRH use.

ix. The PRH use is not substantially meeting the purposes of the PRH Combining District.

(2) Process for revocation. At any time, the Planning Director may recommend to the Planning Commission that a PRH Use/Development permit be amended or revoked for any of the reasons listed in section 13.10.428(D)(1). The Planning Commission shall hold a public hearing to consider the Planning Director's recommendation and at least 10 days' written notice of the hearing shall be provided to the permittee specifying the basis for the Planning Director's recommendation. In the PRH Combining Zone District, this revocation process supersedes the revocation process outlined in section 18.10.136. A revocation decision by the Planning Commission is appealable to the Board of Supervisors per section 18.10.340.

As revised pursuant to Board direction, a Zoning Plan Amendment or Use/Development Permit could be denied by the Planning Commission and/or Board of Supervisors at the public hearing(s) required per proposed code section 13.10.428(A). A Use/Development Permit could be revoked by the Planning Commission and that decision could be appealed to the Board per County Code section 18.10.340. It is expected that in most cases, the Planning Director would initiate revocation by making a recommendation to the Planning Commission to revoke permits for specific properties based on code enforcement or criminal cases, or failure to meet five-year inspection requirements.

RECENT PUBLIC OUTREACH/PUBLIC COMMENT

Since the Planning Commission's continued public hearing on February 13, 2019, the Board of Supervisors held legally noticed public hearings on March 26 and April 23. Staff has also developed an email list of interested property owners and members of the public that have attended prior meetings and continues to keep this group informed.

Two written comments were received in advance of the March 26, 2019 Board of Supervisors public hearing regarding the proposed ordinance, both in response to an article that appeared in the Aptos Times on February 15, 2019. One comment expresses the importance that PRH units be available for students. The other comment expresses concern about public confusion or negative association with the proposed district due to the article's statement that PRH units will most likely be available to median income and Section 8 tenants. Two additional written comments were received recently, one suggesting a reward system for good actors rather than a focus on inspections and requirements for bad actors, and the other expressing concern about the pace of public hearings as well as the focus on code violations at the Bayview Hotel but not other hotels that may allow extended stays. Written comments are attached as Exhibit F.

Additionally, public comment was made in person at the Board meetings on March 26 and April 23 expressing support for the district and requesting fewer restrictions for property owners in order to allow more properties to join the district, specifically regarding short-term rentals, and removal of code enforcement complaints as a basis for permit denial or revocation. Some comments also noted that it was unfair to add extra requirements to PRH units that do not apply to other multifamily residential development.

ENVIRONMENTAL REVIEW

Establishment of the PRH Combining Zone District is exempt from California Environmental Quality Act (CEQA) review per CEQA §15061(b)(3): "where it can be seen with certainty that there is no

possibility the activity may have a significant effect on the environment.”

The project consists of changes to the General Plan/LCP and County Code and is not associated with any specific parcel at this time. Nine property owners have applied to have their properties rezoned into the PRH Combining Zone District, pending approval of the General Plan/LCP and County Code amendments. Rezoning to the PRH Combining Zone District is reasonably foreseeable on these properties. All proposed PRH units on these properties are already in use as permanent housing. Therefore, there are no reasonably foreseeable environmental impacts from the creation of the PRH district. A CEQA Notice of Exemption has been prepared for your consideration and recommendation (Exhibit B).

LOCAL COASTAL PROGRAM CONSISTENCY

The proposed amendments will not result in any loss of agricultural land, any loss of coastal access, or any negative impacts to public viewsheds within the Coastal Zone. PRH units would not be allowed on sites in the Coastal Zone with active visitor accommodations, and applicants with former hotels and motels in the Coastal Zone would have to demonstrate that visitor accommodation use has been functionally obsolete or economically infeasible in order to be allowed into the district. Planning staff analysis indicates that the amendments meet the requirements of, and are consistent with, the County's certified Local Coastal Program (LCP) and the California Coastal Act.

Coastal Commission staff is not in agreement regarding the consistency of these proposed amendments with the California Coastal Act. Coastal Commission staff submitted a letter to the Board of Supervisors on April 22, 2019 (Exhibit F) stating that the Coastal Commission staff is not supportive of allowing the PRH district in the Coastal Zone at all, since converting visitor accommodations to residential use conflicts with Coastal policies.

The Coastal Commission letter states that the central purpose of the PRH Combining Zone District is to convert existing visitor accommodations to housing. However, the central purpose of the district is to preserve existing housing that was already converted from former visitor accommodations, as well as former care facilities. In some cases, the zoning on these properties is residential and does not even allow for legal visitor accommodation use. It is in keeping with the Coastal Act and the LCP to allow these sites to join the PRH combining zone district, and the ordinance as written would allow that and would explicitly not allow conversion of existing visitor accommodations to housing in the Coastal Zone.

Staff research indicates that there about 70 potential PRH units in the Coastal Zone where there is existing, long term residential use in former hotels and motels, including about 30 units in residential zones and 40 units in commercial zones. As drafted, the code would provide a pathway for these property owners to apply for inclusion in the district. In fact, two of the applications already in progress with the County are in the Coastal Zone. In consideration of the Coastal Act and General Plan/LCP policies that support more affordable housing options in the Coastal Zone, a more nuanced approach, rather than complete exclusion of Coastal properties, is appropriate. The Coastal Act states that, when Coastal policies are in conflict, a balancing of objectives is warranted. Staff will continue to engage in dialogue with Coastal staff on this topic.

STRATEGIC PLAN

The proposed amendments advance the County Strategic Plan's "Affordable Housing" goal within the "Attainable Housing" focus area. This Combining District would legally recognize the conversion of motels, hotels and convalescent homes to multifamily housing. These housing units are affordable by design due to their small size. Strategic goals include preserving and protecting existing units,

which is an efficient method of increasing housing opportunity when compared to entitling and constructing new units.

FINANCIAL IMPACT

Zoning Plan Amendments and Use/Development Permits have been submitted for nine properties with interested and willing property owners and will be reviewed at a continued public hearing at a date uncertain following adoption of the PRH ordinance and General Plan amendments. The County has processed these discretionary applications concurrently with development of the ordinance. This process has had the benefit of reducing barriers to entry for eligible properties, encouraging property owners to work collaboratively with staff in developing the ordinance, and helping properties reach a conforming status so that these affordable-by-design housing units can be properly maintained. Future applicants for Zoning Plan Amendments and Use/Development Permits would pay for staff time associated with processing these discretionary permits. Any building permits required for new conversion of units or upgrades to existing units in order to meet PRH district requirements would be subject to relevant permitting fees.

Daisy Allen
Senior Planner

Stephanie Hansen
Principal Planner

Exhibits:

- A) Proposed Planning Commission Resolution
- B) CEQA Notice of Exemption
- C) Proposed General Plan Amendments – ~~strikeout~~/underline
- D) Proposed Ordinance for PRH Combining Zone District – ~~strikeout~~/underline
- E) Proposed Inspection Checklist
- F) Public Comment

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 Resolution is adopted:

**PLANNING COMMISSION RESOLUTION RECOMMENDING ADOPTION OF
PROPOSED AMENDMENTS TO THE SANTA CRUZ COUNTY GENERAL
PLAN/LOCAL COASTAL PROGRAM OBJECTIVES 2.11 and 2.16 AND
POLICIES 2.11.1, 2.11.2, 2.12.4, and 2.16.9, AND SANTA CRUZ COUNTY CODE
CHAPTER 13.10, ESTABLISHING A PERMANENT ROOM HOUSING (PRH)
COMBINING ZONE DISTRICT, AND CEQA EXEMPTION**

WHEREAS, the County of Santa Cruz is experiencing a housing crisis, in which the supply of housing units, especially affordable housing units and smaller rental units housing one or two people, is not meeting demand; and

WHEREAS, some buildings in the County originally constructed for visitor accommodations or assisted living, nursing home, residential care or other similar-uses have become obsolete for their original purposes; and

WHEREAS, there is an opportunity for these types of properties to serve an important role in addressing the housing crisis by converting short-term occupancy rooms and cabins to long-term (more than 30-day occupancy) housing units that are affordable by design due to small unit size; and

WHEREAS, the County is aware of properties where visitor accommodations have already been converted to permanent housing, but this use is non-conforming with zoning and/or General Plan/Local Coastal Program designations on those properties, limiting renovation opportunities and placing housing units at risk; and

WHEREAS, Program 4.5 of the County's 2015 Housing Element identifies a "Permanent Room Housing" (PRH) Combining Zone District as a strategy to recognize and regulate permanent housing on these properties; and

WHEREAS, on June 12, 2018, the Board of Supervisors directed staff to proceed with implementing the PRH Combining Zone District as one of a suite of near-term regulatory initiatives to support creation and preservation of affordable housing; and

WHEREAS, in order to implement a PRH Combining Zone District, the County must make amendments to General Plan/Local Coastal Program Objectives 2.11 and 2.16 and Policies 2.11.1 and 2.16.9, and create new Policies 2.11.2 and 2.12.4; and

WHEREAS, in order to implement a PRH Combining Zone District, the County must also make amendments to County Code Chapter 13.10, sections 13.10.170(d), 13.10.322, 13.10.332, 13.10.382(A), 13.10.400, 13.10.700 and add new sections 13.10.424 – 13.10.429; and

WHEREAS, County Code Chapter 13.10 is a Local Coastal Program implementing ordinance; and

WHEREAS, on January 23, 2019, the Planning Commission held a duly-noticed public hearing to consider proposed amendments to the General Plan and Local Coastal Program of the County of Santa Cruz and the Santa Cruz County Code Chapter 13.10 to create a Permanent Room Housing (PRH) Combining Zone District; and

WHEREAS, upon a duly-authorized continuance of its hearing on February 13, 2019, the Planning Commission adopted Resolution 2019-01 by a majority vote of its full membership recommending adoption of proposed amendments to the General Plan and Local Coastal Program and the Santa Cruz County Code Chapter 13.10, based upon findings of consistency with the General Plan and Local Coastal Program and the Coastal Act, and exemption from the requirements of the California Environmental Quality Act pursuant to section 15061(b)(3); and

WHEREAS, the Board of Supervisors for the County of Santa Cruz held a duly-noticed public hearing on March 26, 2019 to consider proposed amendments to the General Plan and Local Coastal Program of the County of Santa Cruz and the Santa Cruz County Code Chapter 13.10 to create a Permanent Room Housing (PRH) Combining Zone District; and

WHEREAS, upon a duly-authorized continuance of its hearing on April 23, 2019, the Board of Supervisors voted by a majority vote of its full membership to make substantial modifications to the amendments as written in Planning Commission Resolution 2019-01, and directed staff to refer the modified proposed amendments back to the Planning Commission for review and recommendation; and

WHEREAS, the Planning Commission has reviewed the proposed General Plan/Local Coastal Program Amendments and proposed PRH ordinance and finds that these amendments are consistent with all other elements of the General Plan/Local Coastal Program, meet the intent of Housing Element Policy 4.5, and comply with the California Coastal Act; and

WHEREAS, the proposed PRH Combining Zone District defines and adds PRH as an allowed use on eligible properties, and will be applied to individual properties on a case-by-case basis; and

WHEREAS, the proposed amendments are exempt from CEQA pursuant to Section 15061(b)(3) of the California Environmental Quality Act because the only reasonably foreseeable rezonings pursuant to these actions are currently implementing PRH uses, and therefore it can be seen with certainty that there is no possibility that the activity will have a significant effect on the environment;

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission recommends that the Board of Supervisors affirm that the proposed amendments are exempt from CEQA and direct staff to file the Notice of Exemption with the Clerk of the Board; and

BE IT FURTHER RESOLVED that the Planning Commission recommends that the proposed amendments to the County Code and General Plan/Local Coastal Program as presented on this date be adopted by the Board of Supervisors.

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this _____ day of _____, 2019 by the following vote:

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

Chairperson

ATTEST: _____
Secretary

APPROVED AS TO FORM:



COUNTY COUNSEL

cc: County Counsel
Planning Department

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of: Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

From: (Public Agency): County of Santa Cruz (Planning)
701 Ocean Street 4th Floor
Santa Cruz, 95060
(Address)

Project Title: Permanent Room Housing (PRH) Combining Zone District

Project Applicant: County of Santa Cruz Planning Department

Project Location - Specific:

The PRH Combining Zone District is being created at this time and is available throughout the unincorporated county.

Project Location - City: Unincorporated County Project Location - County: Santa Cruz County

Description of Nature, Purpose and Beneficiaries of Project:

The project creates a "Combining Zone" (overlay) district to recognize conversions of visitor accommodation and care facilities to "permanent room housing" residential units. The district allows property owners to preserve existing housing units that are affordable by design.

Name of Public Agency Approving Project: County of Santa Cruz Board of Supervisors

Name of Person or Agency Carrying Out Project: County of Santa Cruz Planning Department

Exempt Status: (check one):

- ☐ Ministerial (Sec. 21080(b)(1); 15269);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption. State type and section number: _____
☒ Statutory Exemptions. State code number: 15061(b)(3)

Reasons why project is exempt:
Please see Attachment 1.

Lead Agency
Contact Person: Daisy Allen Area Code/Telephone/Extension: 831-454-2801

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: _____ Date: _____ Title: _____

☐ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

Revised 2011

Permanent Room Housing Combining Zone District: CEQA Notice of Exemption

Attachment 1: Reasons Why Project Is Exempt

The project consists of changes to the General Plan/Local Coastal Program and County Code and is not associated with any specific parcel at this time. Nine property owners have applied to have their properties rezoned into the PRH Combining Zone District, pending approval of the General Plan/Local Coastal Program and County Code amendments. Rezoning to the PRH Combining Zone District is reasonably foreseeable on these properties. All proposed PRH units on these properties are already in use as permanent housing, and therefore no new environmental impacts could occur from their addition to the district. A list of these nine properties is provided in Table 1.

Table 1: Properties proposed for rezoning with the PRH Combining Zone District.

App #	APN	Address	Owner (Agent)	PRH Units	General Plan*	Existing Zoning	Proposed Zoning
181604	041-511-10	10110 Soquel Dr, Aptos	Lissner Properties (Michael Cox)	10	C-S	C-4	C-4-PRH
181605	084-181-02	14630 Two Bar Rd, Boulder Creek	Ken Clausing (John Agnone)	5	R-R	R-1-15	R-1-15-PRH
181606	084-181-03	14650 Two Bar Rd, Boulder Creek	Ken Clausing (John Agnone)	7	R-R	R-1-15	R-1-15-PRH
181607	081-091-05	13320 Hwy 9, Boulder Creek	John & Susan Koeker (Francis Padilla)	11	R-S	SU	SU-PRH
181608	065-081-13	6154 Hwy 9, Felton	Ken Clausing (John Agnone)	10	C-C	C-2	C-2-PRH
181609	064-272-01	Toll House Resort 4700 Hwy 9, Felton	Toll House (Blackburn Noon Property Management)	6	C-N	CT-L	CT-L-PRH
181610	041-011-34	Bayview Hotel 8041 Soquel Dr, Aptos	Christina Locke (Becky Steinbruner)	6	C-C	C-2-L	C-2-L-PRH
181611	042-032-03	165 East Street, Aptos	John & Susan Koeker (Francis Padilla)	3	R-UH	RM-3	RM-3-PRH
181612	042-032-12	Adobe Hacienda 222 Santa Cruz Ave, Aptos	John & Susan Koeker (Francis Padilla)	15	R-UH	RM-1.5	RM-1.5-PRH

*C-S: Service Commercial. C-C: Community Commercial. C-N: Neighborhood Commercial.
R-R: Rural Residential. R-S: Suburban Residential. R-UH: Urban High Residential.

Proposed Amendments to General Plan and Local Coastal Program as Related to Preserving Permanent Room Housing: Strike-through/Underline

Track Changes: Modifications to Proposed Amendments Since 2/13/19

Objective 2.11 Residential Density Bonus Flexible Land Use Strategies for Affordable and Attainable Housing

To provide opportunities for, and encourage the production of, affordable and attainable housing by creating incentives for housing its production; including a density "bonus" increase over residential densities which would otherwise be allowed by the zoning and General Plan designation, and other flexible land use strategies. Appropriate housing types for density bonus development are the same as those appropriate to the General Plan land use and zoning designation in which they are located. (See chapter 4, Housing Element, for additional policies and programs regarding density bonus and provision of affordable housing.)

Policies

2.11.1 Density Bonus for Housing Development

The Density Bonus provisions of State law are hereby incorporated into the General Plan and are implemented in Chapter 17.12 of the County Code which reflect the standards and requirements of the State Density Bonus Law. Appropriate housing types for density bonus development are the same as those appropriate to the General Plan land use and zoning designation in which they are located. (Amended by Res. 41-2006).

2.11.2 Density Allowance for Permanent Room Housing Combining District

Regardless of residential land use designation, on properties within the "Permanent Room Housing" Combining District, allow existing densities at the time of rezoning to remain, consistent with an approved Use/Development Permit.

Objective 2.12 Mixed-Use Development

To provide a mix of different types of commercial uses or a mix of commercial and residential or public facility uses in appropriate locations where the combination of uses are complementary and contribute to establishing centers of community activity, housing, and/or commerce.

Policies

2.12.4 Permanent Room Housing Uses in Commercial Designations

Regardless of commercial land use designation, allow 100% residential use on properties within the "Permanent Room Housing" Combining District.

Objective 2.16 Visitor Accommodations Designation (C-V)

To provide for a variety of temporary short-term residential uses in both urban and rural

areas which provide for visitor needs, including protection of lower-cost visitor accommodations within the Coastal Zone as feasible, while also preserving the unique environmental settings that attract visitors to the County and protecting residential communities in the County.

Policies

2.16.9 Conversion of Visitor Accommodations to Residential Use

(LCP) Prohibit conversion of visitor accommodations in the coastal zone to any ~~lesser non-~~ priority use unless it ~~is can be~~ demonstrated that it is economically infeasible to use the property for ~~any a~~ higher-priority use. Absolutely prohibit the conversion of hotels or motels in the coastal zone unless it can be demonstrated that the visitor accommodations have become structurally, economically or functionally obsolete. Require any visitor accommodations that are converted to a permanent occupancy residential use to conform to applicable General Plan and LCP Land Use Plan Density Standards Program policies and comply with requirements of the Permanent Room Housing (PRH) Combining District and all conditions of approval of the Use/Development Permit for the PRH use where applicable. Provide a minimum of 15 percent of the units as affordable to lower and moderate income households.

ORDINANCE AMENDING SECTIONS 13.10.170(d), 13.10.322, 13.10.332, 13.10.382(A), 13.10.400, 13.10.700-D, 13.10.700-L, and 13.10.700-P, AND ADDING COUNTY CODE SECTIONS 13.10.424, 13.10.425, 13.10.426, 13.10.427, 13.10.428, and 13.10.429, ESTABLISHING A PERMANENT ROOM HOUSING COMBINING ZONE DISTRICT

Track Changes: Modifications to Proposed Amendments Since 2/13/19

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

SECTION I

Subdivision (D) of Section 13.10.170 of the Santa Cruz County Code (General Plan Consistency – Zoning Implementation Table) is hereby amended to add the following text to the “Other Designation or Condition:” section of the Zoning Implementation Table:

Permanent Room Housing

PRH –Permanent Room Housing Combining District with ~~all residential, commercial, and special-use~~ RA, RR, R-1, RM, VA, PA, C-1, C-2, C-4, CT and SU zone districts¹

¹ PRH Zoning Plan Amendments in the Coastal Zone are Local Coastal Plan Amendments. Coastal Zone properties are subject to Local Coastal Program policies related to conversion of priority uses.

SECTION II

The Residential Uses Chart of Subsection (B) of Section 13.10.322 of the Santa Cruz County Code is hereby amended to allow Permanent Room Housing under “Residential uses”:

USE	RA	RR	R-1	RB	RM
<u>Permanent Room Housing (subject to SCCC 13.10.424 – 13.10.429)</u>	<u>6¹</u>	<u>6¹</u>	<u>6¹</u>	<u>6¹</u>	<u>6¹</u>

¹ Coastal Zone properties are subject to Local Coastal Program policies related to conversion of priority uses.

SECTION III

The Commercial Uses Chart of Subsection (B) of Section 13.10.332 of the Santa Cruz County Code (Commercial uses) is hereby amended to allow Permanent Room Housing under “Residential uses”:

USE	PA	VA	CT	C-1	C-2	C-4
<u>Permanent Room Housing (subject to SCCC 13.10.424 – 13.10.429)</u>	<u>6¹</u>	<u>6¹</u>	<u>6¹</u>	<u>6¹</u>	<u>6¹</u>	<u>6¹</u>

¹ Coastal Zone properties ~~must adhere~~ are subject to Local Coastal Program policies related to conversion of priority uses.

SECTION IV

Section 13.10.382(A) of the Santa Cruz County Code (Uses in the Special Use SU District) is hereby amended to allow Permanent Room Housing:

(A) Allowed Uses.

(1) All uses allowed in the RA and R-1 Zone Districts shall be allowed in the Special Use SU District where consistent with the General Plan and Local Coastal Program and when authorized at the highest approval levels specified in the uses chart in SCCC 13.10.322(B) for those districts.

(2) All uses allowed in zone districts other than RA and R-1 shall be allowed in the Special Use SU District where consistent with the General Plan and Local Coastal Program and when authorized at the highest approval level required by all such districts but no lower than Level V, with the exception of Permanent Room Housing, which shall be allowed with a Use/Development Permit processed with public notice and a Planning Commission public hearing (Level VI process), subject to SCCC 13.10.424 – 13.10.429.

SECTION V

Section 13.10.400 of the Santa Cruz County Code (Combining Zone Districts) is hereby amended to add the following text to the list of Combining Zone Districts:

SCCC	Designation	Summary of Limitations Imposed
<u>13.10.424 through 429</u>	<u>PRH (Permanent Room Housing Combining District)</u>	<u>Denotes parcels with structures originally in use as visitor accommodations, assisted living facilities, convalescent homes, congregate care, or other transient accommodations or care facilities, which may be used as permanent multifamily rental housing in multifamily structures or dwelling groups, with specific use and development standards.</u>

SECTION VI

The Santa Cruz County Code is hereby amended by adding Sections 13.10.424, 13.10.425, 13.10.426, 13.10.427, 13.10.428, and 13.10.429, under a new Article II-A, to read as follows:

ARTICLE II-A. "PRH" Permanent Room Housing Combining District.

13.10.424 Definitions.

The following words and phrases, whenever used in this section, shall have the following meanings:

- (A) "Permanent Room Housing Unit" means an independent dwelling space intended for long-term (30 days or more) rental occupancy as separate living quarters, with direct access from outside the building or through a common hall, meeting the development standards in SCCC 13.10.427.

13.10.425 Purposes of the Permanent Room Housing "PRH" Combining District.

The purposes of the Permanent Room Housing "PRH" Combining District are to:

- (A) Preserve safe housing that is affordable by design and ~~is~~ often occupied by low- and moderate-income residents who live or work in Santa Cruz County.
- ~~(A)(B)~~ Provide property owners with an option to use obsolete visitor accommodation, nursing home, residential care, assisted living and other similar facilities for multifamily rental housing, ~~while still allowing all underlying land uses associated with a property's zone district.~~
- ~~(B)(C)~~ Allow existing motel, hotel, and lodging house (R-1 occupancy) property owners to convert or recognize existing unpermitted or non-conforming permanent, long-term rental housing in multifamily structures (R-2 occupancy) or dwelling groups (R-3 occupancy), as a legal conforming use, with or without support services, ~~while encouraging and protecting lower cost visitor accommodation within the Coastal Zone.~~
- ~~(C)(D)~~ Allow property owners of existing nursing home, residential care, assisted living and other similar facilities (I-1, I-2, R-4 occupancy), to convert to or recognize existing unpermitted non-conforming permanent, long-term multifamily rental housing in multifamily structures (R-2 occupancy) or dwelling group (R-3 occupancy), as a conforming use, with or without support services.

The PRH Combining District is intended to add an additional allowed use to eligible properties. ~~This district is not intended to remove development rights from properties within the district.~~ Property owners within this district are not required to maintain multifamily rental housing in perpetuity. Property owners may amend or supersede PRH use/development permits with use/development permits for other land uses that are associated with the property's underlying zone district.

13.10.426 Designation of the Permanent Room Housing "PRH" Combining District.

The Permanent Room Housing "PRH" Combining District shall be available to all RA, RR, R-1, RM, VA, PA, C-1, C-2, C-4, CT and SU-zoned parcels with buildings that were originally established or permitted for motel, hotel, lodging house, assisted living facility, nursing home, residential care facility or other similar use. ~~VA-zoned parcels within the Coastal Zone must comply with~~ are subject to Local Coastal Program policies regarding conversion of priority uses.

13.10.427 Use and development standards in the Permanent Room Housing "PRH" Combining District.

The following standards and incentives apply to PRH units in the Permanent Room Housing "PRH" Combining District. Where there are differences between this section and a property's underlying zone district, the provisions of this section shall apply:

- (A) Occupancy. The maximum ~~occupancy number of occupants~~ of a permanent room housing unit may not exceed that allowed by the State Uniform Housing Code, or other applicable State law.
- (B) Number of Permanent Room Housing Units.
- (1) Properties in the PRH Combining Zone District are allowed by right to maintain the number of permanent room housing units present on site at the time that the property is added to the PRH Combining Zone District, subject to the Use/Development Permit.
- (2) Property owners may create additional permanent room housing units on site provided that:
- (a) Underlying zone district development standards are not exceeded; and
- (b) Density may not exceed the maximum residential density allowed as follows:
1. On properties with General Plan Designation Mountain (R-M), Rural (R-R), and Suburban Residential (R-S), maximum density per net developable acre is determined by the Rural Density Matrix calculation (SCCC 13.14.060).
 2. On properties with General Plan Designation Urban Very Low Density (R-UVL), Urban Low Density (R-UL), Urban Medium Density (R-UM), and Urban High Density (R-UH); maximum density per net developable acre is determined by the General Plan land use designation.
 3. On properties with non-residential General Plan designations: Maximum density is that allowed in the R-UH General Plan Designation. There is no required minimum non-residential square footage on PRH Combining Zone District properties.
- (c) Notwithstanding SCCC 13.10.427(B)(2)(a) and (b), new PRH units may be created within existing building envelopes, provided that these new units meet all other PRH development standards.
- (3) On properties where visitor accommodation is an allowed use, units used exclusively for short-term (less than 30 days) rental are not considered PRH units and are subject to the density requirements in SCCC 13.10.335(B).
- (4) Property owners may demolish existing PRH units and rebuild PRH units at the maximum density allowed per SCCC 13.10.427(B), with a Use/Development Permit per 13.10.428(A)(2), and in accordance with applicable provisions of 13.10.262 for non-conforming structures.
- (C) Permanent Room Housing Unit Size. Minimum unit size of 120 square feet. Maximum unit size of 500 square feet. Unit size shall be measured from the inside wall of the unit and shall include all conditioned space.
- (1) Maximum Unit Size Exceptions. Existing units larger than 500 square feet may be recognized and allowed through approval of a Use/Development Permit, subject to

13.10.428. New units may not be larger than 500 square feet, except that properties without an existing manager's unit may build one unit up to 1,500 square feet, for habitation by an on-site manager (subject to maximum allowed density and all other site development standards).

(2) Minimum Room Size for New Units. New units must meet California Building Code requirements for minimum room area.

- (D) Kitchen Facilities. Each permanent room housing unit must include kitchen facilities that at a minimum meet the definition of "Limited Food Preparation Area" (SCCC 13.10.700-L), or a common kitchen must be provided to adequately serve residents.
- (E) Bathroom Facilities. Each permanent room housing unit must include one full bathroom (sink, toilet, shower or shower/bathtub combination), or common bathroom facilities must be provided on site at a rate of one full bathroom per six units.
- (F) Health and Safety Requirements. Existing buildings must meet minimum health and safety requirements determined by the County, based on the United States Department of Housing and Urban Development's Housing Quality Standards. A County Building Inspector will conduct inspections to confirm whether properties meet these minimum standards.

The following health and safety requirements apply to unpermitted structures, historic structures and new construction, renovation and addition projects.

- (1) Unpermitted Structures. Property owners with structures that were built or renovated without building permits must apply for permits based on current building standards. If owners cannot obtain permits for unpermitted structures or renovations based on current code standards, owners may participate in the County's Safe Structures program to obtain a certificate to authorize continued use.
- (2) Historic Structures. Historic structures must comply with SCCC 16.42.060.
- (3) New Construction, Renovations, Additions. Any new construction, renovation, or addition must meet current County zoning and building code requirements in the area of work.
- (G) Non-Conforming Structures. Permanent room housing units in legal non-conforming structures (structures that do not meet the setback, height, floor area ratio or lot coverage development standards for the underlying zone district) may be altered per SCCC 13.10.262.
- (H) Off-Street Parking Requirement. 1 space per permanent room housing unit. Parking space dimensions must follow the requirements of SCCC 13.10.554.

 - (1) Reduced Parking Allowances. On-site parking for senior, special-needs, and supportive housing may be provided at the following reduced ratios:

 - i. 0.5 parking spaces per unit for senior housing and special-needs housing.
 - ii. 0.3 parking spaces per unit for permanent supportive housing.

In order to qualify for reduced parking allowances, the property owner must provide a signed agreement with the County specifying the type of rental housing to be provided.

- (I) Bicycle Parking. One bicycle parking space per permanent room housing unit is encouraged for properties within 0.5 mile of a Class I, II or III bicycle lane. Bicycle parking space dimensions are provided in SCCC 13.10.560. Storage sheds for bicycles are encouraged but not required.
- (J) Storage. Each permanent room housing unit is encouraged to provide at least 50 cubic feet of storage space in the form of indoor closets, wardrobes, cabinets, indoor common area lockers or storage rooms, or outdoor storage lockers or storage sheds.
- (K) Short-Term Rentals. Short-term (less than 30 day) rentals are ~~not~~ allowed in units in the PRH Combining Zone District if short-term rentals meet the following conditions:
 - (1) Short-term rental use is existing at the time the PRH zoning application is submitted, and is legally allowed in the underlying zone district.
 - (2) Property owner is current in payment of Transient Occupancy Tax (TOT).
 - (3) Maximum 30% of units on parcels in the PRH Combining Zone District may be short-term rental units.
 - ~~(1) Short-term (less than 30-day) rentals are not allowed in designated PRH units.~~
 - ~~(2) Short-term rentals are not allowed anywhere on residentially-zoned properties in the PRH Combining Zone district.~~
 - ~~(3) On commercially-zoned properties where visitor accommodation is an allowed use, and on special use-zoned properties with a non-residential General Plan designation, owners may rent up to 30 percent of units as short-term rentals. On properties with a combination of PRH and short-term units, PRH units must be identified on the site plan submitted for the PRH Use/Development Permit. Property owners must obtain a Use/Development Permit for short-term rental use, pursuant to SCCC 13.10.332 (unless short-term rental is a historic, continuing use on the property). Property owners must pay transient occupancy tax for short-term rental use, pursuant to SCCC 4.24.~~

13.10.428 Application processing.

- (A) Approvals Required. Property owners with eligible parcels must apply for a Zoning Plan Amendment and a Use/Development Permit for inclusion in the PRH Combining Zone District.
 - (1) Zoning Plan Amendments to add properties to the PRH Combining Zone District allow property owners the option to have permanent room housing units on eligible parcels. Zoning Plan Amendments are processed per SCCC Chapters 13.10 and 18.10.
 - i. Findings required:
 - (a) Zoning Plan Amendment Findings per 13.10.215(D)(3)
 - (b) In the Coastal Zone, former visitor accommodations are functionally obsolete or economically infeasible, documented by conditions such as low occupancy rates and ~~conversion to~~ operation as residential use for three or more years.
 - (2) Use/Development Permits define the parameters of the permanent room housing use on eligible properties and involve Planning Department review to ensure that eligible parcels

meet the use and development standards defined in SCCC 13.10.427. Use/Development Permits must identify the number and location of PRH units on a property. PRH Use/Development Permits are processed as Level VI Approvals per SCCC Chapter 18.10.

Property owners already using a property for permanent room housing must apply for a Use/Development Permit concurrently with a Zoning Plan Amendment. Property owners proposing to convert units to permanent room housing may apply for a Zoning Plan Amendment first, and later apply for a Use/Development Permit before starting to use the property for permanent room housing.

i. Findings required:

(a) Use/Development Permit Findings per 18.10.230(A)

(b) In the Coastal Zone, former visitor accommodations are functionally obsolete or economically infeasible, documented by conditions such as low occupancy rates and operation as residential use for three or more years.

(3) Coastal Development Permits may be required for properties located with the Coastal Zone that do not qualify for an exemption or exclusion per SCCC Chapter 13.20.

(4) Building Permits may be necessary for renovations or additions required by the Planning Department to meet health and safety requirements.

(B) Submittal Requirements. Eligible property owners must submit the following information to the Planning Department:

(1) Application Form. Application forms are available at Planning Department Permit Center and on the County Planning Department website.

(2) Owner/Agent Form. If an agent will represent the property owner in submitting the application, the property owner and agent must complete the Owner/Agent Authorization form.

(3) Application Deposit. The application fee is based on hourly rates for staff time to process the application.

(4) Permits, plans or other proof that the property is or was previously used as visitor accommodation, convalescent home or similar use.

(5) Basic site plan and floor plan documenting existing conditions. The site plan must show the location of all property lines, location of all existing buildings, and location of on-site parking spaces. The floor plan must show all units with each unit and rooms within units labeled. Plans are not required to be professionally drawn and do not have to be drawn at a precise scale but must be accurate, neat and readable. The minimum plan size is 11 x 17. Planning Department staff will review compliance with use and development standards, including but not limited to a site visit.

Any proposed renovations or additions must be presented in accordance with usual standards, which may require professionally drawn plans, drawn to scale.

(6) ~~Suggested submittal~~ not required. Proof of long-term rental at each proposed PRH unit (e.g. lease agreements) indicating the unit number and the rent charged per unit. Personal tenant information should be blacked out.

(C) Five-Year Review Requirement. PRH Use/Development Permits shall include a condition of approval requiring a review by County staff at least once every five years from the date of permit issuance to confirm that the property is continuing to meet the use and development standards outlined in 13.10.427, and to verify compliance with other conditions of approval. The review shall include the following:

(1) Health/safety special inspection by County Building staff. The completed inspection checklist for each five-year special inspection, documenting that the property meets inspection requirements, must be added to the Use/Development Permit file after completion of the special inspection. Inspection of PRH units shall require tenant permission or a warrant (in the case of an immediate threat to health and safety) as required by applicable law, but the inability to conduct inspections may be cause for revocation of PRH Permits.

(2) Any repairs required in order to pass the inspection checklist must be completed within 90 days of the inspection or as determined by the Building Official, and additional special inspection(s) must be conducted to verify that all repairs have been completed. A maximum of three (3) special inspections may be conducted as part of the five-year review.

(3) In order to monitor the intended use of PRH units as "affordable by design" to residents and the workforce, at the time of each five-year special inspection, a report regarding rent rates for each PRH unit shall be provided.

(4) Planning staff shall make the following finding:

i. The property remains in compliance with all requirements of the PRH Use/Development Permit and does not meet any of the reasons for denial listed in section 13.10.428(D)(1).

(5) Five-year review must be complete within 180 days of five-year due date.

(D) Denial or Revocation of Zoning Plan Amendment and/or Use/Development Permit.

(1) Findings for Denial or Revocation. A Zoning Plan Amendment and/or Use/Development Permit may be denied, and a Use/Development Permit may be revoked, for any of the following reasons:

i. Discovery of untrue statements submitted on an application.

ii. Failure to comply with any of the Use/Development standards listed in 13.10.427.

iii. Failure to pass a required five-year inspection to maintain the Use/Development Permit within 180 days of five-year due date.

iv. Active County Code violation cases that are unrelated to permanent housing use on the property.

v. Three or more documented, significant violations of County Code within the last two calendar years. Evidence of significant violation includes, but is not limited

to, copies of citations, verified complaints, written warnings, or other documentation filed by law enforcement.

vi. Active criminal cases on the property.

vii. Failure to pay transient occupancy tax for historical short-term rental use on the property within the past three years.

viii. An unacceptable level of adverse neighborhood impacts is being generated by the PRH use.

ix. The PRH use is not substantially meeting the purposes of the PRH Combining District.

(2) Process for revocation. At any time, the Planning Director may recommend to the Planning Commission that a PRH Use/Development permit be amended or revoked for any of the reasons listed in section 13.10.428(D)(1). The Planning Commission shall hold a public hearing to consider the Planning Director's recommendation and at least 10 days' written notice of the hearing shall be provided to the permittee specifying the basis for the Planning Director's recommendation. In the PRH Combining Zone District, this revocation process supersedes the revocation process in section 18.10.136. A revocation decision by the Planning Commission is appealable to the Board of Supervisors per section 18.10.340.

13.10.429 Exceptions.

An applicant may request an exception to the requirements of SCCC 13.10.427, pursuant to the following:

(A) Exceptions to the PRH standards may be granted if the project is found to be consistent with the PRH Combining Zone District Purposes, found in SCCC 13.10.425, the Use/Development Permit findings found in SCCC Chapter 18.10, and at least one of the following additional findings:

- (1) There are special existing site or improvement characteristics or circumstances that appropriately excuse the project from meeting one or more of the Use and Development Standards in SCCC 13.10.427; or
- (2) The Permanent Room Housing "PRH" Combining District Purposes, found in SCCC 13.10.425, are better achieved by an alternative design; or
- (3) The granting of an Exception will result in a superior project that is consistent with the Permanent Room Housing "PRH" Combining District Purposes.

(B) Any decision on an exception shall not establish a precedent for future applications.

SECTION VII

Section 13.10.552(A)(1) of the Santa Cruz County Code ("Resident Parking") is hereby amended, to add Permanent Room Housing parking requirements:

- (A) Off-street parking spaces for residential uses shall be provided according to the type and size of residence as described below:

(1) Resident Parking.

Number of Bedrooms	Parking Spaces Required for Single-Family Dwellings and Mobile Homes Used as SFDs Outside of Mobile Home Parks Pursuant to SCCC <u>13.10.682</u>	Parking Spaces Required for Multifamily Dwellings
1	2	2
2	3	2.5
3	3	2.5
4	3	3
Additional	1 each	0.5 each

Mobile Homes in Mobile Home Parks

Size	Parking Spaces Required
1,570 square feet or less	2
Greater than 1,570 square feet and not more than 2,500 square feet	3
Greater than 2,500 square feet	4

Replacement Mobile Homes in Mobile Home Parks

No additional parking spaces are required if the replacement mobile home is no more than 120 percent of the size of the existing mobile home. If the replacement mobile home is more than 120 percent of the size of the existing mobile home, then parking is required according to the size of the replacement unit, as given above.

Permanent Room Housing

<u>Unit</u>	<u>Parking Spaces Required</u>
<u>Permanent Room Housing Unit</u>	<u>1</u>
<u>Permanent Room Housing Unit – Senior Housing or Special-Needs Housing</u>	<u>0.5</u>
<u>Permanent Room Housing Unit – Permanent Supportive Housing</u>	<u>0.3</u>

SECTION VIII

Section 13.10.700-D of the Santa Cruz County Code (“D’ Definitions”) is hereby amended to amend the definition of “Dwelling Unit”:

“Dwelling unit” means a structure for human habitation providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation, with the following restrictions: one kitchen is allowed in each dwelling unit, plus up to one

additional Limited Food Preparation Area including a sink, a refrigerator, small electric kitchen appliances that do not require electrical service greater than 120 volts; excluding full-sized electric, gas, or propane cooking appliances; and having an appropriately sized preparation counter and storage cabinets, may also be included in any single-family dwelling at a rate of one per parcel; interior connection shall be maintained throughout the home; and an interior stairway shall be provided between all stories.

SECTION IX

Section 13.10.700-L of the Santa Cruz County Code (“‘L’ Definitions”) is hereby amended to add a definition of “Limited Food Preparation Area”:

“Limited Food Preparation Area” means limited kitchen facilities including a sink, a refrigerator, and small electric kitchen appliances that do not require electrical service greater than 120 volts; and an appropriately sized food preparation counter and storage cabinets. Full-sized electric, gas, or propane cooking appliances are not allowed in a Limited Food Preparation Area.

“Lodging House” means a dwelling in which lodging or lodging and meals are provided for compensation for more than three but not more than 15 persons other than members of the resident family excepting a nursing home or permanent room housing unit as defined herein.

SECTION X

Section 13.10.700-P of the Santa Cruz County Code (“‘P’ Definitions”) is hereby amended to add a definition of “Permanent Room Housing Unit”:

“Permanent Room Housing Unit” means an independent dwelling space intended for long-term (30 days or more) rental occupancy as separate living quarters, with direct access from outside the building or through a common hall, meeting the development standards in SCCC 13.10.427.

SECTION XI

This Ordinance shall take effect on the 31st day following adoption, or upon certification by the California Coastal Commission, whichever is later.

PASSED AND ADOPTED this _____ day of _____, 2019 by the Board of Supervisors and the County of Santa Cruz by the following vote:

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

CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST:

Clerk of the Board

APPROVED AS TO FROM:

County Counsel

Section 1. Site and Exterior:

- 1.1** Is the property address number visible from the street and are the individual units identified? ☐Yes ☐No
- 1.2.** Are there any clear hazards on the property (i.e., dangerous accessory buildings, swimming pools w/o complying barriers.) ☐Yes ☐No
- 1.3.** Is the foundation sound and free from hazards? ☐Yes ☐No
- 1.4.** Are the exterior stairs, rails and porches sound and free from hazards? ☐Yes ☐No
- 1.5.** Are the roof, gutters, and downspouts sound and free from hazards? ☐Yes ☐No
- 1.6.** Are exterior surfaces providing sound weatherproofing and free from hazards? ☐Yes ☐No
- 1.7.** Is the chimney sound and free from hazards? ☐Yes ☐No ☐N/A
- 1.8.** Do the number and configuration of units match the plans? ☐Yes ☐No
- 1.9.** Does the parking for the units match the plans, with at least 0.75 parking spaces per unit (see footnote)?¹ ☐Yes ☐No

¹ Lower parking minimums are allowed senior, special-needs, and permanent supportive housing: review the PRH Use Permit for any special parking allowances.

UNIT # _____

Section 2. Interior:

- 2.1.** Can the unit be entered without having to go through another unit? ☐Yes ☐No
- 2.2.** Is there any evidence that the unit's occupancy exceeds legal limits? ☐Yes ☐No
- 2.3.** Are there acceptable fire exits from the building that are not blocked? ☐Yes ☐No
- 2.4.** Are there at least two working outlets or one working outlet and one working light fixture in each unit? ☐Yes ☐No
- 2.5.** Is the room free from electrical hazards? ☐Yes ☐No ☐Unknown
- 2.6.** Are all windows and doors that are accessible from the outside lockable? ☐Yes ☐No
- 2.7.** Is there at least one egress window of appropriate size, and are all windows free of signs of severe deterioration or missing or broken out panes? ☐Yes ☐No
- 2.8.** Is the ceiling sound and free from hazardous defects? ☐Yes ☐No
- 2.9.** Are the walls sound and free from hazardous defects? ☐Yes ☐No
- 2.10.** Is the floor sound and free from hazardous defects? ☐Yes ☐No
- 2.11.** Is there an individual or shared kitchen or kitchenette² with:
- 2.11.1.** The ability to cook food? ☐Yes ☐No
- 2.11.2** A working refrigerator? ☐Yes ☐No
- 2.11.3** A kitchen sink that works with hot and cold running water and P-traps? ☐Yes ☐No
- 2.11.4** Space to store, prepare, and serve food? ☐Yes ☐No
- 2.12.** If there is a common kitchen, is it large enough and appropriately placed to adequately serve residents? ☐Yes ☐No ☐N/A
- 2.13.** Are there working individual or shared restroom facilities that contain:
- 2.13.1** A working toilet that provides private use for the tenant(s)? ☐Yes ☐No
- 2.13.2** A working, permanently installed wash basin with hot and cold running water and P-traps? ☐Yes ☐No

² Minimum kitchen requirement: "Limited Food Prep Area" including a sink, a refrigerator, and small electric kitchen appliances with electrical service greater than 120 volts; and an appropriately sized preparation counter and storage cabinets.

UNIT # _____

- 2.13.3** A working shower or bathtub/shower combination with hot and cold running water? ☐Yes ☐No
- 2.13.4.** Are there operable windows or a working ventilation system? ☐Yes ☐No
- 2.13.5.** If there are common bathroom facilities, is there at least one common full bathroom per six units? ☐Yes ☐No ☐N/A
- 2.14.** Are there working smoke and carbon monoxide detectors in required locations? ☐Yes ☐No
- 2.15.** Is the unit free from rats or severe infestation by mice or vermin? ☐Yes ☐No
- 2.16.** Are interior stairs and common halls free from hazards to the occupant because of loose, broken or missing steps on stairways; absent or insecure railings; inadequate lighting or other hazards? ☐Yes ☐No ☐N/A
- 2.17.** The State of California requires all elevators have a current inspection certificate. Does the elevator have a current certificate? ☐Yes ☐No ☐N/A

Section 3. Heating and Plumbing:

- 3.1.** Is the heating equipment capable of providing adequate heat (either directly or indirectly) to all rooms used for living? ☐Yes ☐No
- 3.2.** Is the unit free from unvented fuel burning space heaters or any other types of unsafe heating conditions? ☐Yes ☐No
- 3.3.** Does the unit have adequate ventilation and cooling by means of openable windows or a working cooling system? ☐Yes ☐No
- 3.4.** Is the water heater located, equipped, and installed in a safe manner? ☐Yes ☐No
- 3.5.** Is the unit served by an approvable public or private sanitary water supply?
☐Yes ☐No
- 3.6.** Is plumbing free from major leaks or corrosion that causes serious and persistent levels of rust or contamination of the drinking water? ☐Yes ☐No
- 3.7.** Is plumbing connected to an approved public or private disposal system?
☐Yes ☐No Private____Public____ (if private, go to item 3.8)
- 3.8.** The County of Santa Cruz requires a current (no more than one year old) compliance report from a licensed private sewage disposal company for private septic systems.
Does the private septic system have a current report? ☐Yes ☐No ☐N/A

Daisy Allen

From: Kathy Molloy
Sent: Tuesday, March 5, 2019 5:51 PM
To: Daisy Allen
Subject: FW: Repurposed property

Follow Up Flag: Follow up
Flag Status: Flagged

This public comment came to my inbox when I was out of town. Here you go.

From: Maria Bogdanos <mariabogdanos3@gmail.com>
Sent: Thursday, February 28, 2019 11:14 AM
To: Kathy Molloy <Kathy.Molloy@santacruzcounty.us>
Subject: Repurposed property

<http://www.tpgonlinedaily.com/landmark-targeted-for-housing/>

Hi Kathy -

I'm an Aptos resident and mother of 2 college students. I would really like to see some of these properties being available for the students in our area. My kids have friends who are homeless or live in vans because there isn't enough housing.

Thank you!
Maria

3441 Redwood Dr.
Aptos, CA 95003
Feb. 21, 2019

Daisy Allen
Planning Dept.
701 Ocean St., Santa Cruz

Hand-Delivered
on 2/15/19 Aptos Times

Hi Daisy,
Attached is a copy of the ^{2/15/19} Aptos Times, highlighting the PRH overlay and focusing attention on the Bayview Hotel. Please note my highlighted sections on page 4 of the article that "it will" most likely (be available) to median income and Section 8 tenants," followed by cautionary statements by Supervisor Zach Friend. You can expect a barrage of negative correspondence regarding the Bayview Hotel, and the PRH program in Aptos. I wonder what you might suggest Cristina Locke do? She, along with other PRH potential property owners stopped forward to work with the County to, in good faith, address affordable housing issues. The County Counsel has, in Cristina's case, responded with ex parte legal action for a Restraining Order to make it impossible for her to operate her business. She must respond by tomorrow (2/22/19), and is stressed beyond healthy levels. (this legal action is what compelled my PRA request)

I just want to let you know what is happening, and to prepare you for what you can expect at the Board of Supervisor meeting when the PRH issue is discussed.

It is a pleasure to work with you. Thank you

Sincerely,

Re: 041-011-34 (may have been changed to -55)

Becky Sternbruner
6085-2915

Aptos Times

Times Publishing Group, Inc.

February 15, 2019 • Vol. 28 • No. 4

www.apostimesdaily.com



Landmark Targeted For Housing

Three Aptos Buildings Among Those Suggested For PRH

By Len Louder

The County Planning Department has put forward a proposal for consideration to the Planning Commission and soon the Board of Supervisors for potentially

creating Permanent Room Housing (PRH) in our area. There are nine properties in Santa Cruz County not in the "repurposed."

... continued on page 4



Tootsie Roll Drive Benefits Hope Services

The Knights of Columbus successfully raised \$1,300 at their Annual Tootsie Roll Drive.

Full Story page 6

TPG Poetry Contest Winners

The Times Publishing Group Valentine's Day Poetry Contest has been a success once more. Thanks to all our readers who participated and shared their stories in verse.

Full Story page 3



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"PRN" from page 1

They were chosen because of the increased demand for affordable housing. Three of these buildings are in Aptos: The historic Bayview Hotel at 8041 Sausal Drive, The old Arabian Motel at 10410 Sausal Drive, and the Adobe Hacienda apartments at 222 Santa Cruz Ave in Seaside.

The Bayview Hotel is a three-story building, originally named the Anchor House. It was constructed in 1928 in Aptos Village. Historically, it was used as a community center, housing the area's first post office and general store. In 1952, it was placed on the State and National registers of Historic Places. The old Arabian Motel, next door to Sid's Smokehouse was built in 1949. The area was once called "Rob Roy Junction" and the hotel called "Rob Roy Motel & Café." The Adobe Hacienda is a former motel constructed in 1946 and expanded in 1961, over time the motel rooms were converted from visitor accommodation to long-term residential units.

These properties are "obsolescent" for their original intent and "affordable by design." They can serve an important role in addressing the housing crisis because the converted units are small. The county staff contacted owners of known opportunity sites, where obsolete visitor accommodation or care facilities have already been converted to residential use. Applications were processed where owners expressed interest in joining the Corbin Zone District. They are working collaboratively to develop an ordinance with reasonable use and development standards.

As per the Santa Cruz County Planning Commission definition, a "PRN Unit" is an



A vintage photo of the Bayview Hotel

independent dwelling space intended for long-term (30 days or more) rental occupancy as a separate living quarters, with direct access from outside the building or through a common hall, meeting the development standards in section 19.10.027. This definition allows flexibility for shared kitchens and bathrooms, emphasizing the importance of "permanent" (long-term) residency.

The County recognized that people are already living in these locations (some in violation of existing zoning) and wanted to see whether there was interest from the Planning Commission and Board of Supervisors to formalize and add improvements to make them available, most likely in medium income and flexible 8 forms.

"The Board will need to take a thoughtful look about the appropriateness

of this policy in general and whether these properties that are proposed are the right fits for this policy," explained Supervisor Zach Ireland. "There is no question we have an affordability crisis here, but it's important to ensure whatever is next to us from the Planning Commission is beneficial for addressing affordability and overall community needs."

This project is in the early stages and nothing has been approved. There are other properties being considered along with the current ones.

The public is encouraged to comment and attend community meetings. To learn more visit the Santa Cruz County Planning Department website: sccplanning.org

Cover Photos: The Bayview Hotel in Aptos Village • Photo Credit: Lari Landino



The old Arabian Motel, behind Sid's Smokehouse on Sausal Drive.

Photo Credit: Lari Landino

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
PHONE: (831) 427-4863
FAX: (831) 427-4877
WEB: WWW.COASTAL.CA.GOV



April 22, 2019

Santa Cruz County Board of Supervisors
701 Ocean Street, 5th Floor
Santa Cruz, CA 95060

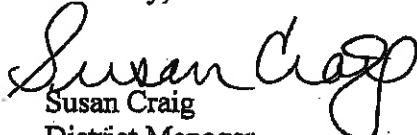
Re: Permanent Room Housing (PRH) LCP Amendment

Dear Board of Supervisors:

We have reviewed the staff report for the above-mentioned Local Coastal Program (LCP) amendment, which will require certification by the Coastal Commission to be in effect in the coastal zone. The staff report correctly notes that we have significant concerns regarding the proposed LCP amendment, and we appreciate your staff's collaboration with us to discuss issues and attempt to address those identified concerns. However, the issues raised by the proposed LCP amendment are not something that can be addressed by inserting new standards or requiring additional findings. Rather, the proposed amendment's primary tenet, i.e. facilitating the conversion of existing visitor accommodations into private residential use, is fundamentally in conflict with existing LCP land use and Coastal Act policies that protect such accommodations and prohibit their conversion to residential use.¹ In other words, we do not believe that the proposed LCP amendment can be found consistent with these policies. In addition, the ordinance itself appears to set up an internal LCP conflict for each potential PRH application in the coastal zone regarding these conflicting policies which will result in confusion and uncertainty when processing applications to convert existing visitor-accommodations uses to residential uses in the coastal zone, leading to significant delays in the processing of such applications. As such, and as we previously advised you and your staff, we strongly recommend that the proposed PRH zoning overlay only apply in areas outside the coastal zone at this time. We understand and support the County's efforts to tackle the housing crisis. However, until more is known about how the PRH overlay works outside of the coastal zone, including lessons learned, and until we have the opportunity to further discuss with your staff how potential Coastal Act and Land Use Plan issues regarding priority visitor accommodations uses can be resolved, we do not see the PRH overlay as appropriate or approvable in the coastal zone.

Thank you for your consideration of these comments.

Sincerely,


Susan Craig
District Manager
Central Coast District Office

¹ See, e.g. Land Use Plan Policies 2.22.1 and 2.22.2; Coastal Action Sections 30222; 30212.

Daisy Allen

From: Becky Steinbruner <ki6tkb@yahoo.com>
Sent: Tuesday, April 30, 2019 12:02 PM
To: Daisy Allen
Cc: Stephanie Hansen; Michael Cox; Rose Marie McNair; Becky Steinbruner
Subject: Questions re: PRH Process Pending

Follow Up Flag: Follow up
Flag Status: Flagged

Hi, Daisy,

I have copied you on some communications between the Aptos area PRH applicants, just to keep you informed. Having met and discussed the PRH process, we have the following questions:

1) What is the rush to get this new PRH overlay language approved during May? We all agree that the concepts as originally presented to the property owners were positive, but the process since has become onerous and is being pushed forward with a sense of urgency. Why must the issue be heard so quickly before the Planning Commission on May 8, and quickly back to the Board of Supervisors on May 21? It leaves little time for interaction with the landlords and tenants and is puzzling as well as stressful. Is there a deadline that is driving this rapid process?

2) I personally wonder why the Bayview Hotel is seemingly being singled-out for past violations of allowing long-term housing to transitional homeless people, under contract with the County's Homeless Services Center, when the Rio Sands Motel and Best Western Seacliff Inn both currently and historically offer long-term stays for people during the off-season? I have verified this myself with anonymous telephone calls and conversations with the desk clerks at both businesses. The Red Cross issues vouchers to people who need shelter after disasters that enable them to stay for months. My neighbors did in fact stay at the Seacliff Inn for nearly six months after their home burned. Why is the County not including the Rio Sands Motel and Best Western Seacliff Inn in this discussion also, especially since the Rio Sands Motel is in the Coastal Zone?

I truly appreciate your hard work and clear communication with the property owners throughout this process. I hope that you can help me understand the two issues I have raised in this message. Thanks again for all you are doing.

Sincerely,
Becky Steinbruner

Daisy Allen

From: Rose Marie McNair <realrose@norcalbroker.com>
Sent: Sunday, April 28, 2019 3:40 PM
To: Becky Steinbruner (ki6tkb@yahoo.com); Michael Cox (lissner.properties@gmail.com)
Cc: Daisy Allen
Subject: Permanent Room Housing

Importance: High

Follow Up Flag: Follow up

Flag Status: Flagged

Regarding the Permanent Room Housing requirements, these are my thoughts and I'm hoping that your meeting with the Commissioner next Friday works out well. This is in response to the Board of Supervisors' comments and the new draft ordinance to be discussed at the Planning Commission May 8, 2019. (We don't have a draft yet, just Daisy's good summary...)

1. The creation of the Permanent Room Housing Overlay District is a good idea and the County Staff has done a yeoman's job in the creation of a program that will work to create availability of small, inexpensive housing.
2. Outdated motels, convalescent homes, and other types of obsolescent uses can now be re-vitalized into something useful, i.e., HOUSING that is affordable by design. It is important to remember that properties of this type have enormous competition, especially those in the visitor accommodation business. Upgrading them from the property owner's perspective is not financially feasible due to high land values which cannot bring any viable return on investment...hence they slowly decline.
3. That leads to the next issue: the unintended consequences of complicated mandates, inspections, and costly oversight rarely create success. My suggestion: Instead of overzealous inspections, and punitive requirements, why not reward the property owners who provide a service to the community for delivering a product that is greatly needed...even something as simple as an annual (or whatever time frame chosen) recognition by the community with a Gold Standard award, A Silver Standard award, each year. You could tie it to—longest tenancies, Best Landscaping, etc. That way, a new program of housing may inspire others to join the Overlay District.
4. Landlords and Tenants have always been partners...one cannot be successful without the other. I think this program can be an inspiration for other possible endeavors.

I trust that our community can make this work, without excessive restrictive inspections, etc. I look forward to an ordinance that can make things happen in a successful manner.

Thank you,
Rose Marie



Rose Marie McNair, Broker
McNair Real Properties
1715-42nd Ave. "B"
Capitola, CA 95010
Realrose@norcalbroker.com
831 212 4906 Cell
831 476 2209 Fax
CalBRE#00547533