



Staff Report to the Planning Commission

Application Number: **181612**

Applicant: Francis Padilla
Owner: John Koeker and Susan Sherwood
APN: 042-032-12

Agenda Date: July 22, 2020
Agenda Item #: 15
Time: After 9:30 a.m.

Site Address: 222 Santa Cruz Ave., Aptos

Project Description: Proposal to rezone the subject property from RM-1.5 to RM-1.5-PRH (Permanent Room Housing ["PRH"] Combining Zone District) and to allow PRH as an additional use.

Location: Property located on the northeast corner of Broadway and Santa Cruz Ave.

Permits Required: Rezoning/Local Coastal Plan (LCP) amendment and an amendment to residential development permit 04-0468

Supervisory District: Second District (District Supervisor: Friend)

Staff Recommendation:

- Adopt the attached resolution (Exhibit A) recommending that the Board of Supervisors:
 - a. Determine that the proposal is exempt from further environmental review under the California Environmental Quality Act, and direct staff to file the Notice of Exemption (Exhibit F) with the Clerk of the Board; and
 - b. Approve Application 181612, based on the attached zoning plan amendment ordinance (Exhibit B), development permit findings (Exhibit C), and conditions of approval (Exhibit E).

Project Description & Setting:

222 Santa Cruz Avenue is a 0.32-acre parcel developed with the "Adobe Hacienda," 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. In 2004, the residential use was recognized with Use/Development Permit 04-0468, and the parcel's General Plan designation was amended to R-UH and zoning district was amended to RM-1.5. However, the property is still considered legal non-conforming because it is built at a density higher than that allowed in the R-UH General Plan designation.

The Adobe Hacienda includes 15 units in five separate structures, some of which were converted

from multiple original hotel rooms: five studios, eight 1-bedroom units, a two-bedroom unit, and a three-bedroom unit. Units range in size from 225 to 1,000 square feet. All units have kitchens, bathrooms, and a parking space. Two of the units (Units 17 and 18) may only be used for storage at this time, per the conditions of Use/Development Permit 04-0468. That permit stipulates that these units may be used for residential purposes again upon review and acceptance by the Planning Department of written verification by a licensed structural engineer that the units comply with applicable State and county statutes, codes or regulations pertaining to structural integrity. This condition was placed on Units 17 and 18 because these units are stacked in a two-story building consisting of an un-reinforced adobe structure on the first floor and a wooden structure on the second floor.

The proposed project would add this property to the PRH Combining Zone District and would classify all 15 units as PRH units as defined in SCCC 13.10.424. Per SCCC 13.10.428, a rezoning is required to change the property's zoning to RM-1.5-PRH, and an amendment to Use/Development Permit 04-0468 is required to approve and define parameters for the PRH use. The condition placed on Units 17 and 18 would be duplicated in the new residential development permit. These units would be subject to the same health and safety inspection requirements for all PRH units and the Building Official will require structural reinforcement to these units in order to pass this health and safety inspection.

Project Background:

The PRH Combining Zone District was adopted by the Board of Supervisors in January 2020 and certified by the Coastal Commission in May 2020. The purpose of the district is to recognize and preserve housing that is converted from former visitor accommodation and care facilities that have become obsolete for their original intent. These properties can serve an important role in addressing the housing crisis by repurposing rooms and cabins as permanent housing units that are affordable by design due to their small unit size. However, residential use in former motels or care facilities without appropriate zoning is illegal. Without legal property renovations and upgrades over time, these units may become run-down and may pose a safety risk to residents and the surrounding community. The PRH Combining Zone District creates a pathway for permanent housing to be legalized on these properties and upgraded as necessary to meet health and safety criteria. The district is available to any parcel in the County that meets district eligibility criteria.

The subject property application was one of nine property applications to join the PRH Combining Zone District that were considered by the Planning Commission on January 23, 2019, concurrently with the proposed amendments to the General Plan/LCP and SCCC to create the PRH Combining Zone District. At that time, the Commission continued consideration of applications for specific properties to join the district to a date uncertain, after the General Plan/LCP and SCCC amendments were finalized.

The PRH Combining Zone District went into effect in Santa Cruz County in March 2020 with County Ordinance 5305 after review and approval by the Board of Supervisors and California Coastal Commission. Therefore, it is now appropriate to continue public hearings for individual property applications to join the district subject to the PRH Combining Zone District use and development standards for this district as provided by SCCC 13.10.427.

Rezoning:

Findings can be made to support a rezoning (per SCCC 13.10.215[D][3]). The proposed rezoning to add the PRH Combining Zone District to this property provides a community-related use (housing that is affordable by design). The units were originally built as motel rooms, which are not subject to density limits, and a conversion of those rooms to residential units was not anticipated when the motel was constructed. The existing density of these residential units is not allowed in any zone district, including the current zoning of RM-3. The site has been in use as residential units for some time and as such has low potential to function again in its original use as visitor accommodation (in fact, visitor accommodation is not even an allowed use in the RM-3 district). The rezoning allows for the existing residential use of this property to continue, and is in the best interests of public health, safety and welfare. Also, the proposed PRH density is compatible with the General Plan/LCP and can be accommodated by available utilities and community services. For detailed rezoning findings, please see Exhibit B.

LCP Amendment and Consistency:

The proposed PRH units are in conformance with the County's certified LCP. The project site is not located between the shoreline and the first public road and is not identified as a priority acquisition site in the County's LCP. Consequently, the proposed project will not interfere with public access to the beach, ocean, or other nearby body of water. No structural changes or new additions are proposed as part of the proposed PRH use on this property.

Findings can be made to support an LCP amendment (per SCCC 13.10.428[A][1][a][ii]). Although visitor accommodation land use is prioritized over residential use in the coastal zone and conversions of a higher to lower priority use are not allowed (per General Plan/LCP Policies 2.22.1 and 2.22.2), there is an exception to this rule for PRH uses. Per General Plan/LCP Policy 2.16.9, former visitor accommodations may be converted to residential use in the Coastal Zone for properties that do not have visitor accommodation or tourist zoning or land use designations, and for which it can be demonstrated that the visitor accommodation use is functionally obsolete and/or economically infeasible. The subject property has a residential zoning and land use designation and has been in residential use for more than three years, thereby meeting the requirement for functional obsolescence per SCCC 13.10.428[A][1][a][ii].

Amendment to Permit 04-0468:

Findings can be made to support an amendment to Permit 04-0468 (per SCCC 18.10.230) to allow PRH use on the subject property. Specifically, the PRH use would be consistent with all pertinent County ordinances and the purpose of the PRH Combining Zone District; would be consistent with the General Plan, would not be detrimental to the health, safety or welfare of the neighborhood; would not overload utilities or generate more neighborhood traffic, and would be compatible with the surrounding neighborhood. For detailed development permit findings, please see Exhibit C.

As described in the project application, the units comply with all PRH use and development standards contained in SCCC 13.10.427, with the exception that there are known structural concerns in units 17 and 18. A building inspection will be required to confirm that all required PRH health and safety measures are met in these units as well as the other units on site. This

inspection is a condition of approval for this development permit. Per SCCC 13.10.428(B)(6), as an additional condition of approval, the applicant will also need to supply proof of long-term rental at each PRH unit, such as lease agreements, including indicating the unit number and the rent charged per unit. Personal tenant information should be blacked out. The County will review compliance with the conditions of this permit every five years. For conditions of approval, please see Exhibit D.

Public Outreach/Public Comment:

An initial public meeting was held on September 12, 2018 to inform property owners of PRH opportunity sites about the proposed Combining Zone District and answer questions. Following that initial outreach, the project applicant expressed interest in pursuing a PRH application for the subject property. A community meeting was held on January 14, 2019 in the Board of Supervisors chambers to inform the public about the proposed district and property rezoning applications and address questions and concerns. Following this community meeting, a Planning Commission public hearing was held on January 23, 2019. Per SCCC 18.10.211, notification for both the community meeting and Planning Commission public hearing, as well as this continued public hearing, was sent to all properties within a 300-foot radius of the exterior boundaries of 222 Santa Cruz Ave. No public comments were received regarding the subject property.

Environmental Review:

The proposed rezoning and residential development permit applications are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (Existing Facilities) because all proposed PRH units are already in use as permanent housing; and section 15061(b)(3) because it can be seen with certainty that there is no possibility the activity may have a significant effect on the environment. A CEQA Notice of Exemption has been prepared (Exhibit E).

Conclusion:


As proposed and conditioned, the project is consistent with all applicable codes and policies of the Zoning Ordinance and General Plan/LCP. Please see the attached exhibits for a complete listing of findings and evidence related to the above discussion.


Staff Recommendation:

Adopt the attached resolution (Exhibit A), sending a recommendation to the Board of Supervisors to approve rezoning and an amended residential development permit for the subject property.

Supplementary reports and information referred to in this report are on file and available for viewing at the Santa Cruz County Planning Department, and are hereby made a part of the administrative record for the proposed project.

The County Code and General Plan/LCP, as well as hearing agendas and additional information are available online at: www.sccoplanning.com

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Exhibits:

- A. Proposed Planning Commission Resolution
- B. Proposed Zoning Plan Amendment Ordinance
- C. Development Permit Findings
- D. Conditions of Approval
- E. Notice of Exemption (CEQA determination)
- F. Property Information
- G. Property Photographs
- H. Project Plans

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
APPROVAL OF REZONING AND USE/DEVELOPMENT PERMIT FOR 222
SANTA CRUZ AVE (APN 042-032-12) INTO THE PERMANENT ROOM
HOUSING COMBINING DISTRICT AND CEQA EXEMPTION**

WHEREAS, the County of Santa Cruz ("County") 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 designations on those properties, limiting renovation opportunities and placing housing units at risk; and

WHEREAS, the following eligible property has submitted an application for a zoning plan amendment and residential development permit for inclusion in the Permanent Room Housing ("PRH") Combining Zone District: 222 Santa Cruz Ave (APN 042-032-12); and

WHEREAS, the Planning Commission has reviewed the proposed rezoning ordinance and finds 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. The proposed rezoning is necessary to provide for a community-related use which was not anticipated when the zoning plan was adopted; and
4. The proposed rezoning is in the best interests of the public health, safety or welfare; and
5. This property in the coastal zone is functionally obsolete or economically infeasible for use as visitor accommodation, documented by conditions such as low occupancy rates and operation as a residential use for three or more years.

WHEREAS, the Planning Commission has reviewed the proposed amendment to residential development permit 04-0468 and finds:

1. That the proposed location and the condition under which the property would be operated or maintained will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood or the general public, and will not result in inefficient or wasteful use of energy, and will not be materially injurious to properties or improvements in the vicinity; and
2. That the proposed location and the conditions under which the property would be operated or maintained will be consistent with all pertinent County ordinances and the purpose of the zone district in which the site is located; and
3. That the proposed use is consistent with all elements of the County General Plan and with any specific plan which has been adopted for the area; and
4. That the proposed use will not overload utilities and will not generate more than the acceptable level of traffic on the streets in the vicinity; and
5. That the proposed project will complement and harmonize with the existing and proposed land uses in the vicinity and will be compatible with the physical design aspects, land use intensities, and dwelling unit densities of the neighborhood.

WHEREAS, the proposed rezoning and residential development permit applications are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (Existing Facilities) because all proposed Permanent Room Housing units on parcel 042-032-12 are already in use as permanent housing; and section 15061(b)(3) because it can be seen with certainty that there is no possibility the activity may have a significant effect on the environment;

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission recommends that the proposed property rezoning ordinance as presented on this date be adopted by the Board of Supervisors.

BE IT FURTHER RESOLVED that the Planning Commission recommends that the amendment to residential development permit 04-0468 application as presented on this date be approved by the Board of Supervisors.

BE IT FURTHER RESOLVED that the Planning Commission recommends that the Board of Supervisors determine that the proposal is exempt from further environmental review under CEQA and direct staff to file the Notice of Exemption with the Clerk of the Board.


PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this _____ day of _____, 2020 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

**ORDINANCE AMENDING ZONING PLAN AND MAP PURSUANT TO
CHAPTER 13.10 OF THE SANTA CRUZ COUNTY CODE BY ADDING
THE PERMANENT ROOM HOUSING COMBINING ZONE DISTRICT
TO PARCEL 042-032-12**

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

SECTION I

The Board of Supervisors finds that the public convenience, necessity, and general welfare require the amendment of the County zoning plan and map pursuant to Santa Cruz County Code ("SCCC") section 13.10.215 to implement the policies of the County General Plan regarding the parcel listed below in Section III; finds that the zoning designated herein is consistent with all elements of the County General Plan; and finds and certifies that the proposed action is exempt from further review under the California Environmental Quality Act.

SECTION II

The Board of Supervisors hereby adopts the recommendations of the Planning Commission for the zoning plan amendment as described in Section III, and adopts their findings in support thereof without modification as set forth below, per SCCC 13.10.215(D) and 13.10.428(A)(1)(a)(ii):

- 1. The proposed zone district will allow a density of development and types of uses that 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.**

The proposed zoning plan amendment would add the Permanent Room Housing ("PRH") Combining Zone District to the existing RM-1.5 zone district. This parcel's General Plan designation of R-UH allows a maximum density of 17.3 units per net developable acre. The existing property is built with 15 units on 0.32 acre (a density of about 47 units per acre). However, General Plan policy 2.11.2 allows existing densities on residentially designated properties within the PRH Combining Zone District to remain, regardless of residential land use designation. Per SCCC 13.10.427(B), additional PRH units would not be allowed on this property unless created from within the walls of the existing structure. The property owner would be required to apply for an amendment to the development permit for this property in order to create additional PRH units. Also, since this property is located within the Coastal Zone, an application to demolish/rebuild or add more PRH units would be reviewed for compliance with coastal resource protection provisions and could require a Coastal Development Permit. Therefore, increased density will not be allowed by right unless it is appropriate for the surrounding neighborhood.

2. **The proposed zone district is compatible with the level of utilities and community services available to the land.**

The existing units were formerly motel rooms that have subsequently been converted to permanent residential use. These units are served by existing utilities and community services. There would be no change in the level of utilities or community services required as a result of the zoning plan amendment. Utilities are indicated on project plans and will be verified during site inspections.

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

The proposed zoning plan amendment meets findings (b) and (e). The property was developed as a motel and has since been converted to residential use over time because it became obsolete as a visitor accommodation facility. Today, Santa Cruz County is experiencing a housing crisis, and this property serves an important role in addressing that crisis by converting former motel rooms to housing units that are affordable by design based on their small unit size. The units were originally built as motel rooms, which are not subject to density limits, and a conversion of those rooms to residential units was not anticipated when the motel was constructed; however, preserving housing on this property is now in the best interests of the public health, safety and welfare.

4. **This property in the coastal zone is functionally obsolete or economically infeasible for use as visitor accommodation, documented by conditions such as low occupancy rates and operation as a residential use for three or more years.**

222 Santa Cruz Ave has been in residential use for more than three years, and therefore can be considered obsolete for use as a motel. This property is also intended to continue as residential use in the Seacliff Village Plan, which was approved by the Coastal Commission.

SECTION III

The County zoning plan and map is hereby amended to add the Permanent Room Housing ("PRH") Combining Zone District to the following property:

Assessor's Parcel Number	Existing Zone District	New Zone District
042-032-12	RM-1.5	RM-1.5-PRH

SECTION IV

The adoption of this ordinance is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 (Existing Facilities) because all proposed Permanent Room Housing units on parcel 042-032-12 are already in use as permanent housing; and section 15061(b)(3) because it can be seen with certainty that there is no possibility the activity may have a significant effect on the environment.

SECTION V

This ordinance shall take effect on the 31st day after the date of final passage.

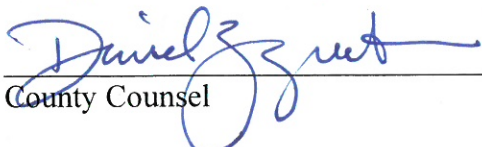
PASSED AND ADOPTED this _____ day of _____, 2020 by the Board of Supervisors of the County of Santa Cruz by the following vote:

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

CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: _____
Clerk of the Board

APPROVED AS TO FORM:



County Counsel

Development Permit Findings

[Santa Cruz County Code 18.10.230]

- 1. That the proposed location of the project and the conditions under which it would be operated or maintained will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood or the general public, and will not result in inefficient or wasteful use of energy, and will not be materially injurious to properties or improvements in the vicinity.**

This finding can be made in that there would be no new development associated with the residential development permit for this property, aside from building permits for upgrades that may be required to meet health and safety standards. The existing structures were built as a motel and have since been repurposed as residential units. This property is located along a main thoroughfare in Seacliff Village, where both residential and commercial uses are appropriate. Residential use is generally less disruptive to neighborhoods than visitor accommodation, since visitor accommodation involves strangers entering and exiting the property every day. Therefore, the proposed location of the residential use that would be allowed on this property will not be detrimental to the health, safety, or welfare of the neighborhood or the general public.

Any construction required at this property will comply with prevailing building technology, the California Building Code, and the County Building ordinance to ensure the optimum in safety and the conservation of energy and resources.

- 2. That the proposed location of the project and the conditions under which it would be operated or maintained will be consistent with all pertinent County ordinances and the purpose of the zone district in which the site is located.**

This finding can be made, in that the location of this property and the residential use that would be allowed at this property with the proposed residential development permit would be consistent with SCCC 13.10.424 – 13.10.429 (the PRH Combining Zone District). The purpose of the permit is to recognize and regulate an existing residential use. The underlying RM-1.5 zone district standards would still apply to any future multifamily dwellings constructed on this property. The existing buildings are nonconforming structures, so development potential for these structures would be limited by SCCC 13.10.262.

- 3. That the proposed use is consistent with all elements of the County General Plan and with any specific plan which has been adopted for the area.**

This finding can be made, in that the proposed PRH use is consistent with the use and density requirements specified by General Plan policy 2.11.2, which allows existing densities on residentially designated properties in the PRH Combining Zone District to remain, regardless of residential land use designation. The PRH use is also consistent with policy 2.16.9, which allows conversion of former visitor accommodations to residential use with a PRH development permit.

The Adobe Hacienda is site “4-L” in the Seacliff Village Plan, which was prepared in 2003 and most recently updated in 2016. The plan stated that the site should be changed from C-1 zoning and C-N General Plan designation to RM-1.5 zoning and R-UH General Plan designation, and that a Use/Development Permit must be obtained for the existing residential use. The plan also stated that the residential zoning and General Plan designation must remain in place for 10 years and then be re-evaluated. These requirements were met; in 2004, the site was rezoned and re-designated, and a Use/Development Permit 04-0462 was obtained for the residential use. In 2013, a 10-year review was conducted, and the Board of Supervisors determined to keep the residential zoning and General Plan land use designation in place. Incorporation of this property into the PRH Combining Zone District would not change the residential use on this site. Per Seacliff Village Plan requirements, all existing on-site parking has been and will continue to be maintained.

- 4. That the proposed use will not overload utilities, and will not generate more than the acceptable level of traffic on the streets in the vicinity.**

This finding can be made, in that the proposed PRH units are existing residential units and will therefore not generate any new impacts on traffic or utilities.

- 5. That the proposed project will complement and harmonize with the existing and proposed land uses in the vicinity and will be compatible with the physical design aspects, land use intensities, and dwelling unit densities of the neighborhood.**

This finding can be made, in that the proposed PRH units are existing, and the property is located along a residential street with a variety of land use densities. The original motel was built at a higher density than typically allowed in the surrounding neighborhood, but the structures have been in place for many years. The zoning plan amendment and residential development permit would not allow additional PRH units to be constructed on this property unless additional density is allowed in the underlying zone district, or the additional PRH units are created within the existing structure. Therefore, the proposed project will complement and harmonize with land uses, physical design aspects, land use intensities, and dwelling unit densities of the surrounding neighborhood.

Conditions of Approval

- I. This permit authorizes the use of 15 units at 222 Santa Cruz Ave., as indicated in Exhibit H, as “Permanent Room Housing” (PRH) units, as defined in SCCC 13.10.424. All conditions of permit number 04-0468 are incorporated herein. This approval does not confer legal status on any existing structure(s) or existing use(s) on the subject property that are not specifically authorized by this permit. Prior to exercising any rights granted by this permit including, without limitation, any construction or site disturbance, the applicant/owner shall:
 - A. Sign, date, and return to the Planning Department one copy of the approval to indicate acceptance and agreement with the conditions thereof.
 - B. Units # 17 and 18 as indicated in Exhibit H are un-reinforced masonry units. These units may be used only for storage or non-habitable purposes, due to possible earthquake related health and safety issues, with the exception of the following:
 1. The property owner may use Units # 17 and 18 for residential rental purposes upon review and acceptance (by the Santa Cruz County Planning Department) of written verification by a licensed structural engineer that such unit(s) comply with applicable State and County statutes, codes or regulations pertaining to structural integrity.
 - C. Supply proof of long-term rental at each PRH unit, such as lease agreements, including indicating the unit number and the rent charged per unit. Personal tenant information should be blacked out.
 - D. Obtain a Permanent Room Housing Inspection by the Santa Cruz County Building Official verifying that the PRH units meet all use and development standards in SCCC 13.10.427, and submit a signed copy of the inspection report to Planning Staff to add to the project file for Application 181612.
 - E. Obtain a Building Permit from the Santa Cruz County Building Official for any building upgrades that are required as a result of the Permanent Room Housing Inspection.
 - F. For all PRH units that were converted to residential use after 1979 and were not recognized as legal non-conforming units, obtain a permit to establish legal residential use, including a Measure J allotment for each of those units.
 - G. If bathrooms or kitchens will be shared, prepare and obtain approval from Planning Department staff for “House Rules” that define how these facilities will be used.
 - H. Obtain an Encroachment Permit from the Department of Public Works for all off-site work performed in the County road right-of-way that is required as a result of the Permanent Room Housing Inspection.

- II. Prior to issuance of a Building Permit for any building upgrades that are required as a result of the Permanent Room Housing Inspection, the applicant/owner shall:
 - A. Submit final plans for review and approval by the Planning Department. The final plans shall be in substantial compliance with the plans marked Exhibit H on file with the Planning Department. Any changes from the approved Exhibit H for this development permit on the plans submitted for the Building Permit must be clearly called out and labeled by standard architectural methods to indicate such changes. Any changes that are not properly called out and labeled will not be authorized by any Building Permit that is issued for the proposed development.
- III. If a Building Permit for work on the units is required as a result of the Permanent Room Housing Inspection, all construction in the area of work shall be performed according to the approved plans for the Building Permit. Prior to final building inspection, the applicant/owner must meet the following conditions:
 - A. All site improvements shown on the final approved Building Permit plans shall be installed.
 - B. All inspections required by the building permit shall be completed to the satisfaction of the County Building Official.
 - C. The project must comply with all recommendations of an approved soils report, if required.
 - D. Pursuant to Sections 16.40.040 and 16.42.080 of the County Code, if at any time during site preparation, excavation, or other ground disturbance associated with this development, any artifact or other evidence of an historic archaeological resource or a Native American cultural site is discovered, the responsible persons shall immediately cease and desist from all further site excavation and notify the Sheriff-Coroner if the discovery contains human remains, or the Planning Director if the discovery contains no human remains. The procedures established in Sections 16.40.040 and 16.42.080, shall be observed.
- IV. Operational Conditions
 - A. In the event that future County inspections of the subject property disclose noncompliance with any Conditions of this approval or any violation of the County Code, the owner shall pay to the County the full cost of such County inspections, including any follow-up inspections and/or necessary enforcement actions, up to and including permit revocation.
 - B. Five-Year Review Requirement. County staff shall conduct a review 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 SCCC 13.10.427, and to verify compliance with other conditions of approval. The five-year review must be complete within 180 days of five-year due date. Property owner request for

five-year inspection can begin six months prior to the five-year due date.

C. Each five-year 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 this 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.
2. Any repairs required in order to pass the inspection checklist must be completed within 120 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 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 review, a report regarding rent rates for each PRH unit shall be provided.
4. At each five-year review, County Planning staff shall make the following finding:
 - a. The property remains in compliance with all requirements of this permit and does not meet any of the reasons for denial listed in subsection (D) of this section.

D. This development permit and associated PRH Combining Zone District zoning may be revoked for any of the following reasons, per the process defined in SCCC 13.10.428.:

1. Discovery of false statements intentionally submitted on an application.
2. Failure to comply with any of the use/development standards listed in SCCC [13.10.427](#).
3. Failure to pass a required five-year review to maintain the use/development permit within 180 days of five-year due date.
4. Verified County Code violation cases that are unrelated to permanent housing use on the property.
5. Three or more verified, significant violations of County Code on the property within the last two calendar years. Evidence of significant violation includes, but is not limited to, copies of citations, verified complaints, written warnings and notices of violation, or other

documentation filed by Planning Department staff and law enforcement.

6. Record of repeated visits by law enforcement to respond to criminal activity on the property, where the activity is attributable to the property owner, management, tenants or visitors.
 7. Failure to pay transient occupancy tax for historical short-term rental use on the property within the past three years.
 8. An unacceptable level of adverse neighborhood impacts is being generated by the PRH use, constituting a public nuisance per SCCC [1.12.050](#).
 9. The PRH use is not substantially meeting the purposes of the PRH Combining Zone District.
- E. Process for Revocation. Per SCCC 13.10.428, the Planning Department must send a notice to the permittee specifying the basis for the Planning Director's recommendation, and the permittee shall have 30 days to respond to this notice. If the permittee fails to respond to the notice and does not resolve the problem(s) that form the basis for the recommendation of permit revocation, the Planning Commission shall hold a public hearing to consider the Planning Director's recommendation and at least 30 days' written notice of the hearing shall be provided to the permittee specifying the basis for the Planning Director's recommendation.
- V. As a condition of this development approval, the holder of this development approval ("Development Approval Holder"), is required to defend, indemnify, and hold harmless the COUNTY, its officers, employees, and agents, from and against any claim (including attorneys' fees), against the COUNTY, its officers, employees, and agents to attack, set aside, void, or annul this development approval of the COUNTY or any subsequent amendment of this development approval which is requested by the Development Approval Holder.
- A. COUNTY shall promptly notify the Development Approval Holder of any claim, action, or proceeding against which the COUNTY seeks to be defended, indemnified, or held harmless. COUNTY shall cooperate fully in such defense. If COUNTY fails to notify the Development Approval Holder within sixty (60) days of any such claim, action, or proceeding, or fails to cooperate fully in the defense thereof, the Development Approval Holder shall not thereafter be responsible to defend, indemnify, or hold harmless the COUNTY if such failure to notify or cooperate was significantly prejudicial to the Development Approval Holder.
- B. Nothing contained herein shall prohibit the COUNTY from participating in the defense of any claim, action, or proceeding if both of the following occur:
1. COUNTY bears its own attorney's fees and costs; and
 2. COUNTY defends the action in good faith.

- C. Settlement. The Development Approval Holder shall not be required to pay or perform any settlement unless such Development Approval Holder has approved the settlement. When representing the County, the Development Approval Holder shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the development approval without the prior written consent of the County.
- D. Successors Bound. “Development Approval Holder” shall include the applicant and the successor’(s) in interest, transferee(s), and assign(s) of the applicant.

Minor variations to this permit which do not affect the overall concept or density may be approved by the Planning Director at the request of the applicant or staff in accordance with Chapter 18.10 of the County Code.

Please note: This permit expires three years from the effective date listed below unless the conditions of approval are complied with and the use commences before the expiration date.

Approval Date: _____

Effective Date: _____

Expiration Date: _____

Appeals: Any property owner, or other person aggrieved, or any other person whose interests are adversely affected by any act or determination of the Planning Commission, may appeal the act or determination to the Board of Supervisors in accordance with Chapter 18.10 of the Santa Cruz County Code.



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.sccoplaning.com

NOTICE OF EXEMPTION

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

Project Name: Application 181612

Project Location: 222 Santa Cruz Ave., Aptos, CA 95003

Assessor Parcel No.: 042-032-12

Project Applicant: Francis Padilla (representing John Koeker and Susan Sherwood)

Project Description: Rezone property from RM-1.5 to RM-1.5-PRH (Permanent Room Housing ["PRH"] Combining Zone District) and to allow PRH as an additional use.

Agency

Approving Project: County of Santa Cruz

County Contact: Daisy Allen, Planner IV

Telephone No. 832-454-2801

Date Completed:

This is to advise that the County of Santa Cruz Board of Supervisors has approved the above described project on _____ (date) 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 rezoning and residential development permit are exempt pursuant to CEQA Guidelines section 15301 (Existing Facilities) because all proposed PRH units are already in use as permanent housing; and section 15061(b)(3) because it can be seen with certainty that there is no possibility the activity may have a significant effect on the environment.

Signature: _____ Date: _____ Title: Environmental Coordinator

EXHIBIT E

Parcel Information

Services Information

Urban/Rural Services Line: ☒ Inside ☐ Outside
Water Supply: Soquel Creek Water District
Sewage Disposal: Santa Cruz Sanitation District
Fire District: Aptos-La Selva Fire Protection District
Drainage District: Flood Control Zone 6

Parcel Information

Parcel Size: 0.32 acre
Existing Land Use - Parcel: Multifamily residential dwelling group
Existing Land Use - Surrounding: Residential and commercial
Project Access: Broadway and Santa Cruz Ave
Planning Area: Aptos
Land Use Designation: R-UH
Zone District: RM-1.5
Coastal Zone: ☒ Inside ☐ Outside
Appealable to Calif. Coastal Comm. ☐ Yes ☒ No

Environmental Information

Geologic Hazards: Not mapped/no physical evidence on site
Fire Hazard: Not a mapped constraint
Slopes: N/A
Env. Sen. Habitat: Not mapped/no physical evidence on site
Grading: No grading proposed
Tree Removal: No trees proposed to be removed
Scenic: Not a mapped constraint
Archaeology: Not mapped/no physical evidence on site

Application #181612: 222 Santa Cruz Ave (APN 042-031-12)



222 Santa Cruz Ave Figure 1: Adobe Hacienda units 7 – 12.



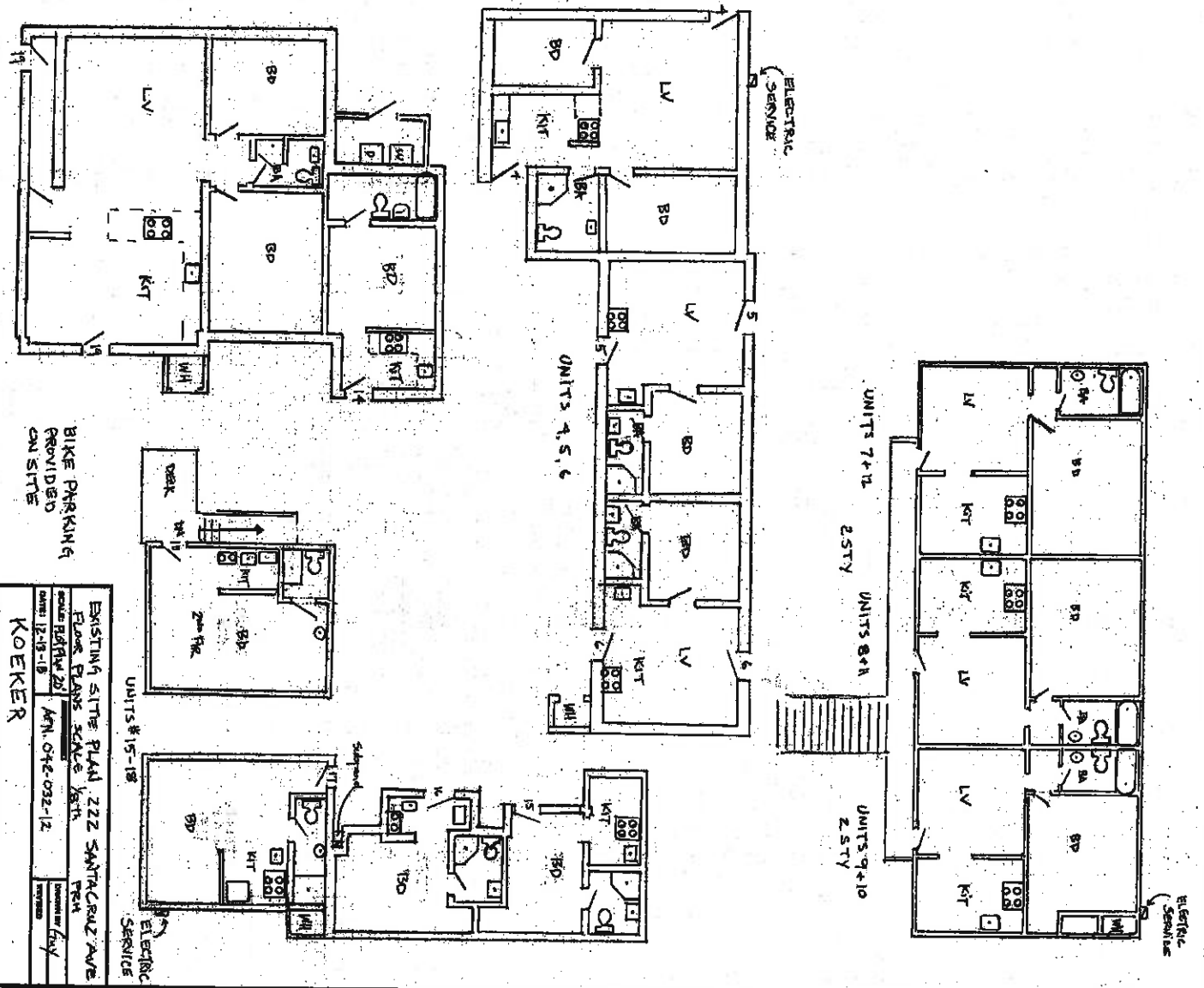
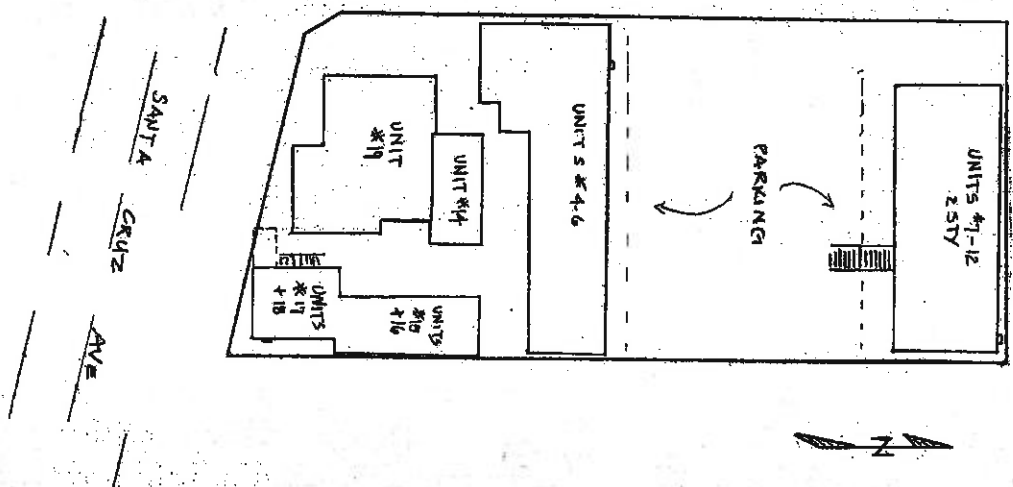
222 Santa Cruz Ave Figure 2: Adobe Hacienda units 4 – 6.



222 Santa Cruz Ave Figure 3: Adobe Hacienda unit 14 on the left, units 15 and 16 on the right.



222 Santa Cruz Ave Figure 4: Adobe Hacienda unit 19 on the left, units 17 and 18 in the two-story structure on the right.



EXISTING SITE PLAN 222 SANTA CRUZ AVE	
FLOOR PLANS SCALE 1/8" = 1'-0"	
DATE: 12-13-15	BY: K. KOEKE
PROJECT: 12-13-15	REVISION: 12-13-15
KOEKE	
PRH	1 of 1

EXHIBIT H