



## CITY COUNCIL AGENDA REPORT

DATE: 2/2/2017

AGENDA OF: 2/14/2017

DEPARTMENT: Planning

SUBJECT: Corridor Rezoning Process Update (PL)

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RECOMMENDATION: Receive update on the General Plan 2030 Land Use Changes on Major Corridors (Corridor Rezoning) process.

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BACKGROUND: The purpose of this item is to provide an update to the City Council on the status of the Corridor Rezoning. This update was requested by the Council on January 10, 2017.

The Corridor Rezoning process traces its beginnings to the City's adopted General Plan. Discussion of the General Plan history and process is therefore foundational to understanding how the Corridor Rezoning's purpose and direction was shaped.

### *General Plan 2030 Process*

In 2005, the City began the process of preparing a new General Plan for the years 2005 to 2030 (GP 2030). This plan was to supersede the existing General Plan 1992-2005 (GP 2005) which reached the end of the intended planning horizon.

To lead the preparation of General Plan 2030 the Council appointed a 17-member General Plan Advisory Committee (GPAC) composed of members from City Council, all City Commissions including all members of the Planning Commission at the time, community members at large and a non-voting member from UCSC. Starting in 2005, the GPAC held 77 public meetings and involved the public in developing the draft goals, policies and land use map. The GPAC completed its work in 2007. A "Vision Statement" for General Plan 2030 was developed by the GPAC, reviewed and vetted by the Planning Commission and adopted and approved by the City Council.

The accepted Vision states:

Surrounded by greenbelt and the Pacific Ocean, Santa Cruz is a compact, vibrant city that preserves the diversity and quality of its natural and built environments, creates a satisfying quality of life for its diverse population and workers and attracts visitors from around the world.

Prior to and after the GPAC completed its work, the City held several major events to inform and involve the public in the process (between 2006 and 2012). These events include the festival “Cruz to the Future”, a Community Survey, a Community Design Workshop, a GP 101 Community Open House and a City Council/Planning Commission Workshop. In addition to these special events there were multiple meetings before the Planning Commission and City Council to update these bodies on the work done to date as well as to receive direction on the draft GP 2030 documents and land use map. City staff and consultants also prepared several technical background reports to help inform the GPAC in its work. The background studies were incorporated in the materials used for the General Plan Environmental Impact Report.

A primary objective of GP 2030 was to provide opportunities for infill development for mixed-use development (housing, services and employment) while preserving the character of the City’s existing neighborhoods. This was primarily accomplished by identifying sites for more intensive commercial/upper floor residential uses in areas or nodes along the major arterials (Mission, Soquel, Water, and Ocean) on the General Plan 2030 land use map and creating new General Plan designations for these areas. These areas are the sections of the City where change is contemplated and planned. Through the discussions with the GPAC, Planning Commission and City Council meetings, the intention was to clearly focus the opportunity sites outside of existing neighborhoods. As a result of these discussions, no changes were proposed for existing neighborhoods.

Further, since the original establishment of the City’s greenbelt concept in 1979, the completion of the City’s greenbelt system through public acquisition of particular lands that surround the City has been a critical component in shaping the City’s future development patterns. The acquisition of greenbelt lands has been accomplished and today the City manages approximately 1,300 acres of publically-owned open space lands. The greenbelt protects the City’s natural setting while at the same time helps to maintain a compact city with clearly defined urban boundaries. Purchasing the greenbelt lands and defining urban boundaries established a land use policy that the City would not grow outward to accommodate future growth and development. The GP 2005 acknowledged that the tradeoff made by publically acquiring greenbelt lands is the acceptance of infill and intensification of land uses in the central core and along arterial and mass transit corridors.

On July 24, 2008 the City Council accepted the draft GP 2030 for the purpose of starting the preparation a Draft Environmental Impact Report (EIR) as required by the California Environmental Quality Act (CEQA). As a program EIR, this document focused on the overall effect of the General Plan 2030. The EIR addressed all elements of the General Plan required by State law, including: Land Use, Circulation, Conservation, Open Space, Safety, and Noise, as well as the optional subjects set forth in the State General Plan Guidelines prepared by the Governor’s Office of Planning and Research related to community design and economic development.

### *Housing Element*

The City’s Housing Element is prepared as a separate volume to the General Plan as it requires updates every eight years in accordance with State law. The City’s current Housing Element was updated and adopted in 2016 and covers the years 2014 to 2023.

The Housing Element relies on the densities allowed in the General Plan's Land Use Plan and the City's corresponding Zoning Map to identify future housing opportunities in the City. The Housing Element identified the corridors and infill development opportunities as future housing sites. These sites are listed and included in the City's report to the State Department of Housing and Urban Development and are used to show that the City can accommodate future housing needs.

### *Rezoning the Corridors*

In July of 2012, the City Council adopted General Plan 2030 and its corresponding land use map (Attachment 1). The adopted General Plan and its corresponding land use map identify parcel specific locations for the new mixed use land use designations. The implementation of the Land Use Element and land use plan for GP 2030 has a long list of actions (included in the Implementation Chapter 11 of the GP). The primary land use action is to rezone the areas along the City's primary corridors (Soquel, Water, Ocean and Mission) in accordance with the General Plan with allowing increased density in certain areas if a project meets "specific criteria to be determined by the Planning Commission". The mixed-use areas are intended to encourage infill development that combines a variety of housing types with services and employment and encourages greater walkability. This rezoning and identification of the "specific criteria" has been the focus on the Corridor's Planning and Rezoning project started in 2015.

### *Corridors Rezoning Community Engagement Process*

On April 28, 2015, the City Council awarded Dyett and Bhatia, Urban and Regional Planners the contract to assist staff with the corridor planning and rezoning, a multi-disciplinary, 18-month process. During the last 20-months, the project team has held over 22 public meetings, workshops, presentations and small group discussions on the objectives, background materials and draft work. A Council-appointed Corridor Advisory Committee (CAC) held 7 public meetings to review the background materials and hear from the public. The CAC was comprised of Councilmembers, Planning Commissioners, representatives from the Transportation and Public Works Commission, Historic Preservation Commission, and Arts Commission, property owners, builders, housing advocates, and community members. The Corridor Advisory Committee completed its work in 2016 and its recommendations were presented to the Planning Commission.

A subsequent Planning Commission Subcommittee was charged with focusing on the details of a new code and in September 2016 a preliminary draft the zoning code was released publically for comment and consideration (Attachment 2). This preliminary draft was the first written document encapsulating potential changes to the zoning code. Prior to this, there was no plan.

### *Corridors Rezoning Transportation Components: ATP and Plan Lines*

The transportation component is related to the corridors, but is primarily under the purview of the Transportation Public Works Commission and City Council. The Zoning Code addresses future development on private property; the transportation work for the corridors focuses on future roadway needs. As it relates to the corridor rezoning, there are

two parts to the transportation component: the Active Transportation Plan (ATP), and Plan Lines.

The ATP identifies citywide bicycle and pedestrian improvements that will further the mobility goals adopted in the General Plan 2030 and the Climate Action Plan. Many of the projects in the ATP could be implemented in the short- and mid-term, dependent upon future grant awards of local funding opportunities. The ATP included outreach in tandem with the Corridor public process, as well as numerous independent outreach activities. Major actions include:

- The complete Draft ATP was reviewed by the Transportation and Public Works Commission three times (May, July, September 2016).
- In September 2016, the Transportation and Public Works Commission recommended that the City Council approve the ATP.
- Staff will be bringing the ATP to Council on February 28, 2017.

The purpose of second part of the transportation component, Plan Lines, is to develop specific street widths, which will identify locations where additional right-of-way is needed for future improvements. This new right-of-way would only be realized as private development occurs incrementally over time.

As recommended by the City Council in September 2016, process for the Plan Lines development will proceed as follows:

- Staff will work with an ad hoc committee of the Transportation and Public Works Commission to establish Plan Line recommendations.
- The ad hoc committee's recommendations will be presented to the full Commission at a public meeting in Spring 2017.
- The Commission's recommendation will then come before the City Council.

To date, the ad hoc committee has met, but no Plan Lines have been completed or approved. There will be ample opportunity to discuss details of the corridor segments when the Transportation and Public Works Commission reviews the different street segments this spring. These plan lines will be modeled off of the street width requirements in the exiting City Municipal Code (Section 24.12.115), and are intended to identify future right-of-way needs and preserve this right-of-way as future development occurs. Future plan lines will not identify any roadway cross-sections and do not identify any parking removal.

The transportation component of the early corridor workshops and meetings was also a source of misunderstanding by some members of the community, with conceptual discussions being interpreted as firm recommendations for immediate implementation – such as removing street parking. It is important to restate that the implementation of transportation improvements is an incremental process, which occurs over many decades. Some of the physical improvements specified in the General Plan EIR may occur through the Capital Improvement Program process, while others may occur in conjunction with an adjacent private development project.

### *Recent Council Action*

In September 2016, the City Council provided direction to the Planning and Public Works Departments to return to the City Council with the Draft Zoning Code along with the Plan Line recommendations. While the private property regulations and development standards will inform the public right-of-way Plan Line widths, and vice versa, the implementation process for the public realm improvements (streets, transportation) remains largely independent from the private development projects.

DISCUSSION: The September 2016 preliminary draft zoning code is attached as well as a companion document that provides visual representations of the building mass and scale that would result from the new standards. In addition, we have included specific references to public input and how it has influenced the proposed new zoning code.

In addition to the transportation components outlined in the previous section, the next steps in the Corridors Rezoning process include:

- Staff is preparing to present the draft code to the Planning Commission in March to begin a public hearing process and to develop a final draft for the City Council. These meetings will focus on all aspects of the code including the design requirements, height and massing restrictions, neighborhood protection, community benefits and allowable uses.
- It is expected that the Planning Commission will hold at least three public meetings on the code prior to it moving to the City Council for review.
- The City Council will ultimately hear the draft code in a public hearing.
- In addition, staff is preparing a large parcel-based public notice for the proposed zoning changes will be mailed in February to all property owners and tenants for parcels on the corridor and adjacent areas; this is expected to be approximately 10,000 notices.
- Staff continues to provide active outreach for the project and has held small discussion and informational meetings with neighborhood and housing groups that have expressed interest in the process.

Up to this point, the Corridor Rezoning process has included many community workshops and meetings, all of which have included discussions about potential future development at a conceptual level. Staff also hosted standing “drop in” meetings, targeted outreach to community members who had expressed concern, and had meetings with any community member who requested to learn more about the zoning code update. It is recognized that there is public concern regarding the future scale, massing and height of buildings along the corridors as well as a strong consensus that Santa Cruz needs more housing and housing options for the future. As work continues on the draft zoning code for the Corridor parcels, great attention is being given to the design requirements for future development.

It should be noted that during the public process some community members mistakenly interpreted conceptual discussions as concrete examples or actual projects that are scheduled for immediate construction. Additionally, projects that are currently under construction or that have previously received planning approvals have been approved under the existing zoning regulations, have been incorrectly presumed to be examples of

future corridor development. The projects under construction or under review for approval now are completely independent from this corridor rezoning process. These two factors combined with the distribution of inaccurate information about the Corridor Rezoning have led to a heightened level of concern and worry among some residents, particularly on the east side of the river. It bears reiterating that any development that happens in the public realm or on private property will happen incrementally over the next 30 to 50 years. None of this project is a development proposal – it is merely to guide future development.

The Corridor Advisory Committee process and other community meetings have produced many good suggestions and staff, along with the supporting consultants, has made several modifications to the draft code based on these suggestions. Some of the discussion relating to the Community Benefits Matrix and other design development standards will directly lead to specific improvements in neighborhood protection, which currently do not exist under the zoning code. Now that the process is moving into the details of the zoning code, there will be many more opportunities for public input into this important work.

As a reminder, the project website is: [www.santacruzcorridors.com](http://www.santacruzcorridors.com). The website includes a library of background and meeting materials for the Public Workshops, Planning Commission meetings, Corridor Advisory Committee meetings and public presentations. Staff looks forward to providing this update to the Council and to answering any questions from the Council or public.

FISCAL IMPACT: None

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ATTACHMENTS:

General Plan 2030 Land Use Map  
Draft Zoning Code for the Mixed Use Zone Districts  
Illustrative Guide to Draft Zoning Code