AGENDA

Meeting of the
Scotts Valley City Council
In-Person and Remote Access
Date: June 4, 2025
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	Agenda posted on 5-30-2025 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvalley.gov

ELECTED OFFICIALS	CITY STAFF MEMBERS
Derek Timm, Mayor Allan Timms, Vice Mayor Steve Clark, Council Member Krista Jett, Council Member Donna Lind, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Cathie Simonovich, City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS

Notice regarding City Council Meetings:
The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 PM in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066, and via Zoom Webinar remote access.

Agenda and Agenda Packet Materials:
The City Council agenda and the complete agenda packet are available for review by 5:00 PM the Friday before the Wednesday meeting on the Internet at the City's website: www.scottsvalley.gov and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvalley.gov.

Public Participation:
The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: https://www.youtube.com/@cityofscottsvalley
For those wishing to participate via Zoom you can join the following ways:
Zoom Webinar meeting link: https://us02web.zoom.us/j/83295730901
Or dial one of these numbers: (669) 900-9128 or (669) 444-9171
Webinar ID: 832 9573 0901

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

How to comment via in-person attendance:
Please proceed to the public comment podium when the Mayor opens the item for public comment.

How to comment via Zoom Webinar:
Use the webinar attendee option to “raise hand” when the Mayor opens the item for public comment. The Clerk will unmute you when it is your turn. If you have joined via Zoom phone call, dial *9 or your phone to “raise your hand”, and the Clerk will unmute you when it is your turn.

CALL TO ORDER 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

SPECIAL SET MATTER

1. Mayor's Proclamation - July as "Parks Make Life Better!" Month

COMMITTEE REPORTS

Council members are appointed to committees which are either City committees or committees dealing with other jurisdictions. This portion of the agenda allows the committee member to present oral or written reports to the Council regarding their committee assignments. It also allows the Council to make comments and give the committee member direction, as required.

CITY MANAGER REPORT

PUBLIC COMMENT TIME

This is the opportunity for individuals attending in person to make oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda. Written public comment may be emailed to the City Clerk by 5:00 PM on the day of the meeting at csimonovich@scottsvalley.gov.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

1. Approve City Council minutes of 05-21-2025
2. Approve check register dated 05-17-2025 through 05-30-2025
3. Adopt resolution establishing the FY 2025-26 Appropriations Limit
4. Annual review of the Investment Policy
5. Adopt and approve annual budget items, including the Fiscal Year 2025-26 Budget
6. Pinewood Estates Maintenance Assessment District Request for Engineering Report
7. Skypark Open Space Maintenance Assessment District Request for Engineering Report
8. Award Contract to Rapid Grading Services for the Street Resurfacing and Pavement Repair Project and Authorize the City Manager to Enter into a Contract with Rapid Grading Services in an Amount Not to Exceed $1,854,000.

PUBLIC HEARINGS

1. Fiscal Year 2025 - 2026 SB 1 Projects
2. Measure D Five-Year Plan (2025-2030)
3. A public hearing to consider the Planning Commission's recommendation to 1) amend the Scotts Valley Municipal Code Title 16 (Subdivisions), Title 17 (Zoning), General Plan Land Use and Mobility Elements, and SB 9 Standards to implement the 2023-2031 Housing Element of the General Plan; and 2) adopt an Addendum to the General Plan EIR for the proposed amendments in compliance with the California Enviornmental Quality Act (CEQA)

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.

REGULAR AGENDA

Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.

1. Future Council Agenda Items

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5600 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.

❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖

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City of Scotts Valley

Mayor's Proclamation

Declaring the Month of July as "Parks Make Life Better!" Month

WHEREAS, Parks and Recreation promotes **physical, emotional, and mental health and wellness** through organized and self-directed fitness, play, and activity; and

WHEREAS, Parks and Recreation **supports the economic vitality of communities** by partnering with local businesses and non-profits, and offering events for resident's engagement; and

WHEREAS, Parks and Recreation **creates memorable experiences** through youth sports and enrichment activities, senior activity centers, adult fitness, and enrichment programs, free community events, and beyond; and

WHEREAS, Parks and Recreation **fosters social cohesiveness** in communities by celebrating diversity, providing spaces to come together peacefully, modeling compassion, promoting social equity, connecting social networks, and ensuring all people have access to its benefits; and

WHEREAS, Parks and Recreation **supports human development** and endless learning opportunities that foster social, intellectual, physical, and emotional growth in people of all ages and abilities; and

WHEREAS, Parks and Recreation **strengthens community identity** by providing facilities and services that reflect and celebrate community character, heritage, culture, history, aesthetics, and landscape; and

WHEREAS, Parks and Recreation **facilitates community problem and issue resolution** by providing safe spaces to come together peacefully and serving as key points of service, helping our communities heal both physically and emotionally; and

WHEREAS, Parks and Recreation **sustains and stewards our natural resources** by protecting habitats and open space, connecting people to nature, and promoting the ecological function of parkland; and

WHEREAS, Parks and Recreation **supports safe, vibrant, attractive, progressive communities** that make life better through positive alternatives offered in their recreational opportunities.

NOW, THEREFORE, I, Derek Timm, as Mayor of the City of Scotts Valley, on behalf of the entire City Council, do hereby declare the month of July as "Parks Make Life Better!" Month.

CITY OF SCOTTS VALLEY CALIFORNIA 1966

_____

Derek Timm, Mayor

Signed and sealed this 4th day of June 2025

MINUTES

Meeting of the
Scotts Valley City Council
Date: May 21, 2025
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	The agenda was posted on 05-16-2025 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvalley.gov.

CALL TO ORDER 6:00 PM

The City Council meeting was called to order at 6:00 PM.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:	CITY STAFF MEMBERS PRESENT:
Derek Timm, Mayor Allan Timms, Vice Mayor Steve Clark, Council Member Krista Jett, Council Member Donna Lind, Council Member	Mali LaGoe, City Manager Kirsten Powell, City Attorney Steve Walpole, Police Chief Stephanie Hill, Administrative Services Director Rodolfo Onchi, Public Works Director Taylor Bateman, Community Development Director Cathie Simonovich, City Clerk

SPECIAL SET MATTER

1. Mayor's Proclamation - Homeless Garden Project, California Nonprofit of the Year

Mayor Timm presented the proclamation for the Homeless Garden Project. Brendan Miele, Board President, and Paul Goldberg, Development Director, accepted the proclamation for the Homeless Garden Project.

2. Mayor's Proclamation - Older Americans Month

Mayor Timm presented the proclamation for Older Americans Month. Dana Wagner, the Director of Meals on Wheels, accepted the proclamation on behalf of the Seniors Council and Meals on Wheels. Darshana Croskey, Senior Center Coordinator, also spoke regarding the proclamation.

3. Mayor's Proclamation - Public Works Week, May 18 - May 24

Mayor Timm presented the proclamation for Public Works Week and Public Works Director Onchi said a few words. A video showing the Public Works team in action was shown.

COMMITTEE REPORTS

CM Lind attended a Criminal Justice Council (CJC) board meeting where they discussed various programs in place to take over the functions of the CJC when it is dissolved. The County of Santa Cruz will continue to maintain the website.

CM Lind attended a Santa Cruz Metropolitan Transit District (METRO) Finance meeting where they discussed the acquisition logistics of the new buses. She also attended a Board Meeting and noted that METRO has received several awards.

CM Lind congratulated Chief Walpole and all the awardees for the Scotts Valley Chamber of Commerce awards that were presented at the annual gala.

VM Timms attended the Queer Youth Leadership Awards (QYLA) along with Mayor Timm and noted it was an amazing event honoring some very impressive and courageous members of our City and County.

CM Jett attended the Town Center Subcommittee meeting where they discussed the Environmental Impact Report (EIR) and the EIR scoping meeting, which will be held Thursday, May 22, 2025, at 5:30 PM in the Council Chambers.

CM Jett attended the Youth Action Network (YAN) Pathways to Possibilities (P2P) end-of-year listening party. About 10-12 Scotts Valley high school students attended this meeting and provided positive and valuable feedback.

CM Jett noted that there will be a Youth & Adult Partnership Summit on June 18 from 1:00 PM to 5:00 PM at Cabrillo College. Registration is available on the United Way website.

CM Clark noted that the Regional Transportation Commission (RTC) will be seeking input on the North Coast Transportation Demand Management (TDM) Plan and will host a virtual workshop on May 29 from 5:30 PM to 7:00 PM. The webinar link and more information can be found on the RTC website.

CM Clark attended an Economic Development Committee meeting and noted that the

business outreach program is in process and the Measure X business license implementation is underway.

CM Clark attended the Chamber of Commerce Economic Development meeting with City Manager LaGoe, and they reported on the pavement management plan, the Town Center progress, and the implementation of the new business license fee structure.

Mayor Timm attended the Town Center Subcommittee meeting and reported that they reviewed the temporary uses of the Town Center property.

Mayor Timm attended the Association of Monterey Bay Area Governments (AMBAG) meeting, and he noted that AMBAG is now part of a new rural energy network. Through this program, approximately $36M will be available to implement energy efficiency projects throughout our region. Additionally, they approved the draft 2025-2026 Monterey Bay Region Overall Work Program (OWP) and the budget.

CITY MANAGER REPORT

Pavement Management Program: This is out for bid and will close May 23 at 2:00 PM and the bid opening will occur immediately after that. The PMP includes 18 lane miles of pavement resurfacing across the City.

Pothole Repairs: The Public Works staff members have been doing much-needed pothole repairs up and down Mt. Hermon Road. City Manager LaGoe thanked the public for their patience and for keeping the Public Works crew safe.

Signal Timing Improvements on Mt. Hermon Road: The signal light timing improvements along Mt. Hermon Road have been installed, so the signals have been synchronized during the peak traffic periods. There will be additional fine-tuning when the back-ordered equipment is installed.

Sports Fields/Grass Areas: City Manager LaGoe gave a huge thank you to the City's Maintenance staff, who have been doing a great job staying on top of irrigation issues, gopher issues, and making sure that the quality of grass is as good as it can possibly be for our amazing youth athletes and everyone who uses the fields.

Summer Events Walk-Through: In preparation for the Art, Wine and Beer Festival and other upcoming community events, City staff will be meeting with the Chamber representatives to complete a walk-through of the area to make sure needs are met and concerns are addressed

Planning Department Staffing: Last week the new Associate Planner Joshua Wozynski started, and interviews for the open Senior Planner position are next week.

Town Center Scoping Meeting: This meeting will be held on May 22 at 5:30 PM in

the City Council Chambers and the public will have the opportunity to provide input on what should be studied in the EIR.

Arts and Poetry Contest Winners: City Manager LaGoe congratulated the arts and poetry contest winners. The winners were honored at the Arts Commission meeting and also at the showcase event at the Community Center.

Reminders:

- Follow the City on social media
- Subscribe to the City's newsletter

PUBLIC COMMENT TIME

Kristyn Glenn, the Development Manager for Dientes Community Dental Care, thanked the Council for the grant award through the City's Community Grant Program. She stressed how important proper dental care is for our most vulnerable citizens.

Robert Aldana, a resident of Scotts Valley, thanked the Council for displaying the Pride flag in the month of June, and he thanked the Council for honoring the Homeless Garden Project. He is pleased that Scotts Valley continues to be an inclusive community.

Darshana Croskey, a resident of Scotts Valley, thanked the Council for displaying the Pride flag in the month of June, but also questioned why the Council must follow the approval process in order to do so.

Dylan Jones, a resident of Scotts Valley, spoke regarding the residency requirements for the City Manager.

Cynthia Dzendzel, a resident of Scotts Valley, thanked the Council for the proclamation for Older Americans Month and for the vital Senior Center events and programming.

WRITTEN COMMUNICATIONS

1. Letter from Dylan Jones dated 05-06-2025

Mayor Timm requested that City Attorney Powell address: 1) Process for display of flags, and 2) City Manager residency requirements. City Attorney responded with the following information:

1. Display of flags: The City has a flag policy that is to be followed anytime there is a request by a Council Member to display a commemorative flag (Resolution No. 2014).

2. City Manager residency requirements: The City has complied with both the Government Code and the City's Municipal Code regarding the residency requirements for the City Manager.

Dylan Jones spoke regarding the residency requirements for the City Manager.

ALTERATIONS TO CONSENT AGENDA

M/S: Timms/Clark
To approve the Consent Agenda with no alterations.
Carried 5/0 (AYES: Timm, Timms, Clark, Jett, Lind)

CONSENT AGENDA

1. Approve City Council minutes of 05-07-2025
2. Approve check register dated 05-03-2025 through 05-16-2025
3. Road closure for City's 4th of July Parade
4. Final Map and Subdivision Improvement Agreement for Casa Way Residential Subdivision, a Nine-Lot Subdivision Located at the Intersection of Casa Way and Sandraya Heights Road/APN 023-113-36
5. Second reading and adoption of Ordinance No. 22-200.3 AB 481 Military Equipment Use policy renewal
6. Second reading and adoption of Ordinance 7.8 amending Title 8 of the Scotts Valley Municipal Code by repealing Chapter 8.04 in its entirety and by adding a new Chapter 8.05, Graffiti Abatement - Public Nuisance

PUBLIC HEARINGS

1. Public Hearing to consider Resolution 1198.79 adopting proposed FY2025/26 User Fee Schedule and Charges

Administrative Services Director Hill presented this item.

Mayor Timm opened the public hearing at 6:54 PM. No members of the public provided comment, and Mayor Timm closed the public hearing at 6:55 PM.

M/S: Clark/Lind
To adopt Resolution 1198.79 adopting the proposed FY2025/26 User Fee Schedule and Charges.
Carried 5/0 (AYES: Timm, Timms, Clark, Jett, Lind)

ALTERATIONS TO REGULAR AGENDA

M/S: Lind/Clark
To approve the Regular Agenda with no alterations.
Carried 5/0 (AYES: Timm, Timms, Clark, Jett, Lind)

REGULAR AGENDA

1. Five-Year Capital Improvement Plan for Fiscal Year 2025-2026 to Fiscal Year 2029-2030

Public Work Director Onchi presented this item and responded to questions from the Council Members. The Council provided input and CM Clark requested that the two Siltanen Park projects be revisited for funds availability at the mid-year review.

John Marlow, a resident of Scotts Valley, asked about when and how the City will consider the impact on the roads of the 100 new housing units and the related funding issues.

Dylan Jones, a resident of Scotts Valley, congratulated the Public Works Department on recent road work that was completed near his street. He also questioned the decision to have bike lanes in both directions on the Granite Creek overpass.

2. Presentation of the Proposed Fiscal Year 2025-26 Budget, Long-Range Financial Forecast, and Fund Matrix

City Manager LaGoe presented the budget process, the strategic goals for 2025-2027, strengths/challenges, major initiatives, and the road ahead. Administrative Services Director Hill presented the details of the proposed 2025-2026 budget.

Dylan Jones, a resident of Scotts Valley, asked about the outstanding loans, and he suggested that volunteers could do work to free up staff to complete other tasks.

The Council reviewed the discussion items in the presentation and directed staff to include the $50K for the Community Grant program, but to not issue the Request for Proposals (RFP) until a determination is made at the mid-year budget review.

3. Future Council Agenda Items

None.

CONVENE TO CLOSED SESSION

The City Council convened to closed session at 8:36 PM to discuss the following items:

CLOSED SESSION SUBJECT(S)

1. Conference with legal counsel regarding liability claim
   Legal Authority: Government Code Section 54956.95
   Claimant: James Ross
   Staff Present: City Manager, City Attorney, Administrative Services Director

2. Conference with legal counsel regarding existing litigation
   Legal Authority: Government Code Section 54956.9
   Name of Case: Roseann Dudrick vs. Land Trust of Santa Cruz County, et al. Superior Court of California County of Santa Cruz, Case Number: 24CV00230
   Staff Present: City Manager, City Attorney, Administrative Services Director

RECONVENE TO OPEN SESSION

The City Council reconvened to open session at 8:47 PM.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

City Attorney Powell reported that the City Council met in Closed Session regarding the existing litigation of Rosann Dudrick vs. the Land Trust of Santa Cruz County, and the City Council voted unanimously to authorize the City Manager to enter into a settlement in which another party in the case will pay $100K to settle the case and there will be no cost to the City of Scotts Valley.

ADJOURNMENT

The meeting adjourned at 8:48 PM.

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

A/P Check Register
Checks from 05/17/2025 to 05/30/2025

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
		Cash Account: 999-10100-000-000-000000			
134029	05/22/25	ACC BUSINESS	1,830.64	O	Payment Manager
134030	05/22/25	AFLAC-FLEX ONE	738.29	O	Regular
134031	05/22/25	AMAZON CAPITAL SERVICES	25.28	O	Regular
134032	05/22/25	AT&T	87.48	O	Regular
134033	05/22/25	COMCAST	453.91	O	Payment Manager
134034	05/22/25	COMPUTERSMITHS LLC	198.75	O	Regular
134035	05/22/25	CORO MEDICAL LLC	6,180.00	O	Regular
134036	05/22/25	COUNTY OF SANTA CRUZ	1,198.08	O	Regular
134037	05/22/25	CSG CONSULTANTS, INC	270.00	O	Regular
134038	05/22/25	DEPT OF JUSTICE	96.00	O	Regular
134039	05/22/25	DOCTORS ON DUTY	260.00	O	Regular
134040	05/22/25	GOOD CITY COMPANY	23,564.50	O	Regular
134041	05/22/25	GRAINGER	272.77	O	Regular
134042	05/22/25	INTERWEST CONSULTING GROUP	8,880.00	O	Regular
134043	05/22/25	JEREMY LONG	387.00	O	Regular
134044	05/22/25	JUSTIN TAYLOR	854.09	O	Regular
134045	05/22/25	KOSMONT COMPANIES, INC	10,378.75	O	Regular
134046	05/22/25	M-GROUP	12,015.00	O	Regular
134047	05/22/25	MUTUAL OF OMAHA	1,157.83	O	Regular
134048	05/22/25	S.V. WATER DISTRICT	6,319.90	O	Regular
134049	05/22/25	S.V. WATER DISTRICT - BULK	87.80	O	Regular
134050	05/22/25	SANTA CRUZ COUNTY CONFERENCE	26,812.76	O	Regular
134051	05/22/25	SANTA CRUZ SENTINEL	207.90	O	Payment Manager
134052	05/22/25	SCARBOROUGH LUMBER	103.81	O	Regular
134053	05/22/25	URBAN FIELD STUDIO OAKLAND	2,372.50	O	Regular
134054	05/22/25	WIZIX TECHNOLOGY GROUP, INC	718.41	O	Payment Manager
134055	05/30/25	ALVAREZ IND INC CLEAN BLDG	615.00	O	Regular
134056	05/30/25	AT&T	452.96	O	Regular
134057	05/30/25	BELLOWS PLUMBING HEATING & AIR	24,581.50	O	Regular
134058	05/30/25	BLUETRITON BRANDS INC	331.74	O	Regular
134059	05/30/25	CALIFORNIA COAST UNIFORM CO	232.59	O	Regular
134060	05/30/25	COMCAST	723.72	O	Payment Manager
134061	05/30/25	COMMUNITY PRINTERS INC.	647.66	O	Payment Manager
134062	05/30/25	DYNAMIC PRESS	283.16	O	Regular
134063	05/30/25	JEREMY LONG	346.46	O	Regular
134064	05/30/25	KIWANIS CLUB OF SCOTTS VALLEY	250.00	O	Regular
134065	05/30/25	LAFCO	7,906.44	O	Regular
134066	05/30/25	LOGAN & POWELL, LLP	522.00	O	Regular
134067	05/30/25	MP EXPRESS, INC.	628.44	O	Regular
134068	05/30/25	MUTUAL OF OMAHA	1,218.95	O	Regular
134069	05/30/25	PALACE BUSINESS SOLUTIONS	127.50	O	Regular
134070	05/30/25	PRESS BANNER	305.70	O	Regular
134071	05/30/25	PRINICPAL LIFE INSURANCE CO	7,894.42	O	Regular
134072	05/30/25	SHARRON BARTH	48.40	O	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
134073	05/30/25	SUMMIT UNIFORMS	2,821.88	O	Regular
134074	05/30/25	TALLEN CALIFORNIA, LLC	12,600.00	O	Regular

apadatecr2 City of Scotts Valley llambert 05/30/2025 11:00 Page 2
A/P Check Register
Checks from 05/17/2025 to 05/30/2025

40	Checks total:	163,427.73
0	ACH total:	
0	EFTPS total:	
0	Wire transfer total:	
6	Payment Manager total:	4,582.24
46	GRAND TOTALS	168,009.97

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Kendra Reed, Finance Manager

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Adopt resolution establishing the FY 2025-26 Appropriations Limit**

SUMMARY OF ISSUE

On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Initiative, establishing Article XIIIB of the California State Constitution. This proposition mandated an appropriation (spending) limit on the amount of tax proceeds that the State and most local government jurisdictions may appropriate within a fiscal year. Charges for services, fees, grants, loans, donations, and other non-tax proceeds are excluded from the spending limitation.

The Initiative was later modified by two propositions: Proposition 98 in 1988 and Proposition 111 in 1990. Proposition 98 established the return of tax revenues exceeding appropriation limit levels to the State or citizens through a process of refunds, rebates, or other means. Proposition 111 allowed more flexibility in the appropriation calculation factors. Significant changes imposed by Proposition 111 include the following:

- The provision of a choice in methodologies for determining the annual inflation factor between 1) growth in California per capita income or 2) growth in non-residential assessed valuation due to new construction within the city.
- The provision of a choice in methodologies for determining the annual population growth factor between 1) city population growth or 2) county population growth.
- Regulations allowing the exclusion of “qualified capital outlay” expenditures from the calculation of the Limit.
- Provision of a process for avoiding tax refunds if a city falls sufficiently below the Limit in the next fiscal year. The revised language provides two years, beyond the second year, to refund any remaining excess during which jurisdictions can seek to obtain a successful override vote.

FISCAL IMPACT

There is no fiscal impact from this action.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1007.38 containing the following:

1. Elect the per capita income index as the inflation factor for FY 2025-2026;
2. Elect the County population growth index as the population factor for FY 2025-2026; and
3. Establish the FY 2025-2026 Appropriation Limit at $269,843,673 in compliance with Article XIIIB of the State of California Constitution.

The calculation of the FY 2025-26 Gann Appropriation Limit is as follows:

County Population Factor		Per Capita Income Factor		Appropriation Factor		FY 2024-25 Appropriation Limit		FY 2025-26 Appropriation Limit
1.001	x	1.064	=	1.065	x	$253,263,904	=	$269,843,673

TABLE OF CONTENTS

1. Resolution No. 1007.38 - FY 2025-26 Gann Appropriations Limit
2. Department Of Finance Price & Population Data May 2025
3. Santa Cruz County 2024-25 Non-Residential Construction

RESOLUTION NO. 1007.38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS MAKING CERTAIN FINDINGS AND DETERMINATIONS IN COMPLIANCE WITH SECTION XIII B OF THE CALIFORNIA CONSTITUTION (GANN INITIATIVE) AND SETTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26

BE IT RESOLVED by the City Council of the City of Scotts Valley that in compliance with Section XIII B of the Constitution of the State of California, the following is hereby found and determined:

1. That the appropriations limit under the Gann Initiative for FY 2024/2025 was $253,263,904; and

2. The change in population in the County of Santa Cruz in 2024, according to the State of California was 0.10%, and was selected as a factor; and

3. That during fiscal year 2024/2025, according to the State, the percentage change in per capita personal income in California was 6.44%, and was selected as a factor; and

4. That the appropriations limit under the Gann Initiative for FY 2025/2026 is $269,843,673; and

5. That the documentation for establishing the appropriations limit for 2025/2026 was prepared by the Administrative Services Department and presented to the City Council on June 4, 2025.

6. That more than 15 days have elapsed since documentation used in this determination was made available to the public.

The foregoing resolution was adopted by the City Council of the City of Scotts Valley at a regularly scheduled meeting held on the 4th day of June, 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:_____
Derek Timm, Mayor

Attest:_____
Cathie Simonovich, City Clerk

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 2025

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code Section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2025, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2025-26. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2025-26 appropriations limit. Attachment B provides the city and unincorporated county population percentage change along with the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code Section 2228 provides additional information regarding the appropriations limit. Article XIII B, Section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: http://leginfo.legislature.ca.gov/faces/codes.xhtml.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2025**.

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

JOE STEPHENSHAW
Director
By:

ERIKA LI
Chief Deputy Director

Attachment

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2025-26 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2025-26	6.44

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2025-26 appropriation limit.

2025-26:

Per Capita Cost of Living Change = 6.44 percent
Population Change = 0.28 percent

Per Capita Cost of Living converted to a ratio: $\frac{6.44 + 100}{100} = 1.0644$

Population converted to a ratio: $\frac{0.28 + 100}{100} = 1.0028$

Calculation of factor for FY 2025-26: 1.0644 x 1.0028 = 1.0674

FISCAL YEAR 2025-26
Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2024 to January 1, 2025 and Total Population January 1, 2025

About the Data

City	County	Percent Change 24-25	Population Minus Exclusions 1-1-24	Population Minus Exclusions 1-1-25	Total Population 1-1-25
Alameda City	Alameda	-0.22	78,406	78,236	79,020
Albany City	Alameda	0.28	20,520	20,578	20,578
Berkeley City	Alameda	1.32	126,676	128,348	128,348
Dublin City	Alameda	2.17	72,462	74,031	74,691
Emeryville City	Alameda	-0.28	13,509	13,471	13,471
Fremont City	Alameda	0.16	232,241	232,619	232,619
Hayward City	Alameda	0.24	161,977	162,359	162,359
Livermore City	Alameda	-0.23	86,094	85,899	85,899
Newark City	Alameda	1.04	48,382	48,886	48,886
Oakland City	Alameda	0.52	424,015	426,237	426,457
Piedmont City	Alameda	-0.28	10,836	10,806	10,806
Pleasanton City	Alameda	-0.38	77,526	77,232	77,232
San Leandro City	Alameda	-0.35	88,124	87,813	87,813
Union City	Alameda	-0.36	66,898	66,657	66,657
Balance of County	Alameda	-0.27	147,978	147,579	147,646
Incorporated	Alameda	0.37	1,507,666	1,513,172	1,514,836
County Total	Alameda	0.31	1,655,644	1,660,751	1,662,482
Balance of County	Alpine	-0.42	1,181	1,176	1,177
County Total	Alpine	-0.42	1,181	1,176	1,177
Amador City	Amador	-0.51	197	196	196
Ione City	Amador	-0.19	5,173	5,163	9,037
Jackson City	Amador	-1.69	4,905	4,822	4,822
Plymouth City	Amador	1.17	1,109	1,122	1,122
Sutter Creek City	Amador	-1.63	2,580	2,538	2,538
Balance of County	Amador	-1.63	22,167	21,805	21,848
Incorporated	Amador	-0.88	13,964	13,841	17,715
County Total	Amador	-1.34	36,131	35,646	39,563
Biggs City	Butte	-1.25	1,998	1,973	1,973
Chico City	Butte	2.59	110,971	113,847	113,847
Gridley City	Butte	-1.10	7,383	7,302	7,302
Oroville City	Butte	2.25	19,221	19,653	19,653
Paradise Town	Butte	7.83	10,283	11,088	11,088
Balance of County	Butte	-7.51	58,017	53,662	53,662
Incorporated	Butte	2.67	149,856	153,863	153,863
County Total	Butte	-0.17	207,873	207,525	207,525
Angels City	Calaveras	-0.42	3,585	3,570	3,570
Balance of County	Calaveras	-0.21	41,183	41,096	41,152
Incorporated	Calaveras	-0.42	3,585	3,570	3,570
County Total	Calaveras	-0.23	44,768	44,666	44,722
Colusa City	Colusa	-0.18	6,548	6,536	6,536
Williams City	Colusa	-0.48	5,616	5,589	5,589
Balance of County	Colusa	-0.28	9,929	9,901	9,901
Incorporated	Colusa	-0.32	12,164	12,125	12,125
County Total	Colusa	-0.30	22,093	22,026	22,026
Antioch City	Contra Costa	0.52	116,177	116,781	116,781
Brentwood City	Contra Costa	0.60	65,353	65,747	65,747
Clayton City	Contra Costa	-0.46	10,793	10,743	10,743
Concord City	Contra Costa	-0.34	123,074	122,650	122,650
Danville Town	Contra Costa	-0.16	43,030	42,960	42,960
El Cerrito City	Contra Costa	-0.31	25,943	25,862	25,862
Hercules City	Contra Costa	-0.50	26,357	26,225	26,225
Lafayette City	Contra Costa	-0.08	25,073	25,054	25,054
Martinez City	Contra Costa	-0.15	36,871	36,817	36,817
Moraga City	Contra Costa	-1.98	16,973	16,637	16,637
Oakley City	Contra Costa	1.32	46,218	46,826	46,826
Orinda City	Contra Costa	-0.23	19,395	19,351	19,351
Pinole City	Contra Costa	-0.45	18,344	18,261	18,261
Pittsburg City	Contra Costa	0.64	75,887	76,374	76,374
Pleasant Hill City	Contra Costa	-0.28	33,694	33,601	33,601
Richmond City	Contra Costa	-0.24	113,872	113,594	113,594
San Pablo City	Contra Costa	0.18	31,450	31,507	31,507
San Ramon City	Contra Costa	0.18	83,245	83,391	83,391
Walnut Creek City	Contra Costa	-0.44	70,238	69,927	69,927
Balance of County	Contra Costa	-0.20	176,178	175,833	175,917
Incorporated	Contra Costa	0.03	981,987	982,308	982,308
County Total	Contra Costa	0.00	1,158,165	1,158,141	1,158,225
Crescent City	Del Norte	-0.69	4,064	4,036	6,056
Balance of County	Del Norte	-1.44	20,738	20,439	20,488
Incorporated	Del Norte	-0.69	4,064	4,036	6,056
County Total	Del Norte	-1.32	24,802	24,475	26,544
Placerville City	El Dorado	0.14	10,617	10,632	10,642
South Lake Tahoe City	El Dorado	-0.05	21,033	21,022	21,022
Balance of County	El Dorado	0.09	158,862	159,009	159,106
Incorporated	El Dorado	0.01	31,650	31,654	31,664
County Total	El Dorado	0.08	190,512	190,663	190,770
Clovis City	Fresno	1.13	127,674	129,121	129,121
Coalinga City	Fresno	0.00	13,419	13,419	17,608
Firebaugh City	Fresno	2.40	8,510	8,714	8,714
Fowler City	Fresno	3.11	7,436	7,667	7,667
Fresno City	Fresno	0.77	552,416	556,690	557,032
Huron City	Fresno	7.96	6,421	6,932	6,932

Kerman City	Fresno	0.76	17,403	17,535	17,535
Kingsburg City	Fresno	0.90	13,167	13,285	13,285
Mendota City	Fresno	0.89	12,598	12,710	12,710
Orange Cove City	Fresno	0.99	9,622	9,717	9,717
Parlier City	Fresno	0.78	14,535	14,649	14,649
Reedley City	Fresno	2.52	25,950	26,603	26,603
Sanger City	Fresno	1.44	26,652	27,037	27,037
San Joaquin City	Fresno	0.03	3,653	3,654	3,654
Selma City	Fresno	0.40	24,487	24,585	24,585
Balance of County	Fresno	0.17	158,883	159,148	160,204
Incorporated	Fresno	0.97	863,943	872,318	876,849
County Total	Fresno	0.84	1,022,826	1,031,466	1,037,053
Orland City	Glenn	1.17	8,603	8,704	8,704
Willows City	Glenn	1.62	6,372	6,475	6,475
Balance of County	Glenn	1.33	14,004	14,190	14,190
Incorporated	Glenn	1.36	14,975	15,179	15,179
County Total	Glenn	1.35	28,979	29,369	29,369
Arcata City	Humboldt	1.66	18,691	19,001	19,001
Blue Lake City	Humboldt	-0.70	1,144	1,136	1,136
Eureka City	Humboldt	0.00	25,966	25,967	26,122
Ferndale City	Humboldt	-0.44	1,367	1,361	1,361
Fortuna City	Humboldt	-0.38	12,245	12,198	12,198
Rio Dell City	Humboldt	-0.71	3,255	3,232	3,232
Trinidad City	Humboldt	-0.67	298	296	296
Balance of County	Humboldt	-0.73	70,625	70,107	70,471
Incorporated	Humboldt	0.36	62,966	63,191	63,346
County Total	Humboldt	-0.22	133,591	133,298	133,817
Brawley City	Imperial	0.84	28,710	28,952	28,952
Calexico City	Imperial	0.78	39,762	40,073	40,073
Calipatria City	Imperial	0.69	3,646	3,671	6,061
El Centro City	Imperial	1.12	45,456	45,966	46,007
Holtville City	Imperial	0.57	5,653	5,685	5,685
Imperial City	Imperial	1.98	22,422	22,866	22,866
Westmorland City	Imperial	0.39	2,076	2,084	2,084
Balance of County	Imperial	0.59	31,371	31,557	34,771
Incorporated	Imperial	1.06	147,725	149,297	151,728
County Total	Imperial	0.98	179,096	180,854	186,499
Bishop City	Inyo	-0.10	3,854	3,850	3,850
Balance of County	Inyo	-0.31	14,938	14,892	14,950
Incorporated	Inyo	-0.10	3,854	3,850	3,850
County Total	Inyo	-0.27	18,792	18,742	18,800
Arvin City	Kern	0.99	19,796	19,991	19,991
Bakersfield City	Kern	1.16	414,451	419,238	419,238
California City	Kern	0.97	13,189	13,317	13,317
Delano City	Kern	1.15	46,036	46,566	52,831
Maricopa City	Kern	0.59	1,018	1,024	1,024
McFarland City	Kern	2.24	13,902	14,213	14,213
Ridgecrest City	Kern	0.25	27,664	27,732	28,386
Shafter City	Kern	4.72	22,356	23,412	23,455
Taft City	Kern	-0.03	7,089	7,087	7,087
Tehachapi City	Kern	0.64	9,372	9,432	11,476
Wasco City	Kern	-2.55	23,447	22,850	26,235
Balance of County	Kern	0.05	304,188	304,351	306,708
Incorporated	Kern	1.09	598,320	604,862	617,253
County Total	Kern	0.74	902,508	909,213	923,961
Avenal City	Kings	1.07	9,431	9,532	13,315
Corcoran City	Kings	0.88	13,547	13,666	21,612
Hanford City	Kings	2.31	59,856	61,238	61,238
Lemoore City	Kings	2.10	27,122	27,692	27,692
Balance of County	Kings	1.45	25,135	25,500	30,158
Incorporated	Kings	1.98	109,956	112,128	123,857
County Total	Kings	1.88	135,091	137,628	154,015
Clearlake City	Lake	1.01	16,367	16,533	16,533
Lakeport City	Lake	-0.85	5,069	5,026	5,026
Balance of County	Lake	-0.61	45,889	45,607	45,695
Incorporated	Lake	0.57	21,436	21,559	21,559
County Total	Lake	-0.24	67,325	67,166	67,254
Susanville City	Lassen	1.90	9,199	9,374	12,270
Balance of County	Lassen	1.77	14,802	15,064	16,446
Incorporated	Lassen	1.90	9,199	9,374	12,270
County Total	Lassen	1.82	24,001	24,438	28,716
Agoura Hills City	Los Angeles	-0.18	19,940	19,904	19,904
Alhambra City	Los Angeles	0.22	82,176	82,353	82,374
Arcadia City	Los Angeles	0.13	56,044	56,116	56,116
Artesia City	Los Angeles	1.33	16,060	16,273	16,359
Avalon City	Los Angeles	-0.12	3,387	3,383	3,383
Azusa City	Los Angeles	-1.50	49,736	48,988	48,988
Baldwin Park City	Los Angeles	0.23	70,685	70,848	70,848
Bell City	Los Angeles	-0.15	33,366	33,315	33,315
Bellflower City	Los Angeles	-0.32	76,902	76,656	76,656
Bell Gardens City	Los Angeles	0.09	38,438	38,471	38,471
Beverly Hills City	Los Angeles	-0.12	31,984	31,945	31,945
Bradbury City	Los Angeles	0.78	895	902	902
Burbank City	Los Angeles	0.29	105,842	106,146	106,146
Calabasas City	Los Angeles	-0.26	22,856	22,797	22,797
Carson City	Los Angeles	0.07	91,745	91,808	91,812
Cerritos City	Los Angeles	-0.28	48,005	47,871	47,871
Claremont City	Los Angeles	-0.02	37,305	37,299	37,299

Commerce City	Los Angeles	-0.32	12,185	12,146	12,146
Compton City	Los Angeles	-0.01	93,699	93,692	93,692
Covina City	Los Angeles	0.92	50,625	51,090	51,090
Cudahy City	Los Angeles	-0.34	22,208	22,132	22,132
Culver City	Los Angeles	0.16	40,340	40,403	40,403
Diamond Bar City	Los Angeles	-0.07	53,577	53,539	53,539
Downey City	Los Angeles	-0.02	111,891	111,871	111,871
Duarte City	Los Angeles	-0.22	23,798	23,746	23,746
El Monte City	Los Angeles	0.82	107,056	107,938	107,986
El Segundo City	Los Angeles	-0.11	16,976	16,958	16,983
Gardena City	Los Angeles	0.14	60,176	60,263	60,263
Glendale City	Los Angeles	0.26	191,706	192,212	192,212
Glendora City	Los Angeles	-0.07	51,289	51,254	51,254
Hawaiian Gardens City	Los Angeles	0.07	13,552	13,561	13,561
Hawthorne City	Los Angeles	-0.25	85,868	85,653	85,653
Hermosa Beach City	Los Angeles	-0.22	19,055	19,014	19,014
Hidden Hills City	Los Angeles	0.23	1,742	1,746	1,746
Huntington Park City	Los Angeles	-0.32	53,213	53,041	53,051
Industry City	Los Angeles	-0.23	432	431	431
Inglewood City	Los Angeles	-0.29	106,617	106,305	106,305
Irwindale City	Los Angeles	-0.07	1,510	1,509	1,509
La Canada Flintridge City	Los Angeles	0.05	20,149	20,160	20,160
La Habra Heights City	Los Angeles	-0.13	5,510	5,503	5,503
Lakewood City	Los Angeles	0.10	80,517	80,596	80,596
La Mirada City	Los Angeles	-0.17	48,315	48,233	48,233
Lancaster City	Los Angeles	1.62	170,661	173,424	177,768
La Puente City	Los Angeles	0.10	37,508	37,546	37,546
La Verne City	Los Angeles	0.59	32,111	32,300	32,300
Lawndale City	Los Angeles	-0.20	30,921	30,860	30,860
Lomita City	Los Angeles	0.04	20,398	20,407	20,407
Long Beach City	Los Angeles	0.44	460,230	462,246	462,561
Los Angeles City	Los Angeles	0.44	3,813,575	3,830,479	3,835,263
Lynwood City	Los Angeles	0.45	66,360	66,660	66,660
Malibu City	Los Angeles	-0.18	10,623	10,604	10,604
Manhattan Beach City	Los Angeles	-0.18	34,111	34,051	34,051
Maywood City	Los Angeles	-0.25	24,557	24,496	24,496
Monrovia City	Los Angeles	1.94	38,181	38,920	38,920
Montebello City	Los Angeles	0.79	62,243	62,732	62,732
Monterey Park City	Los Angeles	-0.13	59,342	59,262	59,269
Norwalk City	Los Angeles	-0.32	100,585	100,265	101,075
Palmdale City	Los Angeles	0.31	166,580	167,097	167,097
Palos Verdes Estates City	Los Angeles	-0.12	13,014	12,999	12,999
Paramount City	Los Angeles	-0.08	52,415	52,371	52,371
Pasadena City	Los Angeles	0.41	140,054	140,631	140,631
Pico Rivera City	Los Angeles	0.00	60,859	60,858	60,858
Pomona City	Los Angeles	0.68	152,005	153,042	153,042
Rancho Palos Verdes City	Los Angeles	-0.25	40,831	40,727	40,727
Redondo Beach City	Los Angeles	-0.33	68,319	68,091	68,091
Rolling Hills City	Los Angeles	0.24	1,673	1,677	1,677
Rolling Hills Estates City	Los Angeles	-0.14	8,557	8,545	8,545
Rosemead City	Los Angeles	0.41	50,296	50,501	50,501
San Dimas City	Los Angeles	-0.05	34,226	34,209	34,209
San Fernando City	Los Angeles	0.62	23,546	23,692	23,692
San Gabriel City	Los Angeles	1.00	38,569	38,953	38,953
San Marino City	Los Angeles	-0.09	12,341	12,330	12,330
Santa Clarita City	Los Angeles	0.35	231,573	232,377	232,377
Santa Fe Springs City	Los Angeles	0.90	18,341	18,506	18,680
Santa Monica City	Los Angeles	0.19	93,034	93,212	93,212
Sierra Madre City	Los Angeles	-0.30	10,903	10,870	10,870
Signal Hill City	Los Angeles	-0.31	11,457	11,421	11,421
South El Monte City	Los Angeles	-0.02	19,538	19,535	19,535
South Gate City	Los Angeles	0.08	92,883	92,955	92,955
South Pasadena City	Los Angeles	0.06	26,272	26,287	26,287
Temple City	Los Angeles	0.70	36,069	36,322	36,322
Torrance City	Los Angeles	-0.10	143,410	143,261	143,261
Vernon City	Los Angeles	-0.48	208	207	207
Walnut City	Los Angeles	0.74	28,008	28,214	28,214
West Covina City	Los Angeles	-0.21	109,657	109,428	109,428
West Hollywood City	Los Angeles	0.10	35,250	35,284	35,284
Westlake Village City	Los Angeles	-0.31	7,943	7,918	7,918
Whittier City	Los Angeles	0.03	87,820	87,850	87,850
Balance of County	Los Angeles	0.18	1,001,862	1,003,674	1,004,490
Incorporated	Los Angeles	0.31	8,834,429	8,861,693	8,872,321
County Total	Los Angeles	0.30	9,836,291	9,865,367	9,876,811
Chowchilla City	Madera	-1.64	13,729	13,504	18,742
Madera City	Madera	-0.85	67,013	66,443	66,443
Balance of County	Madera	2.24	75,718	77,414	77,414
Incorporated	Madera	-0.98	80,742	79,947	85,185
County Total	Madera	0.58	156,460	157,361	162,599
Belvedere City	Marin	0.29	2,052	2,058	2,058
Corte Madera City	Marin	0.09	9,947	9,956	9,966
Fairfax City	Marin	0.09	7,400	7,407	7,407
Larkspur City	Marin	-0.15	12,750	12,731	12,731
Mill Valley City	Marin	0.07	13,679	13,688	13,688
Novato City	Marin	0.22	51,372	51,486	51,690
Ross City	Marin	0.83	2,290	2,309	2,309
San Anselmo City	Marin	0.26	12,519	12,551	12,551
San Rafael City	Marin	-0.05	59,917	59,885	59,885

Sausalito City	Marin	0.07	6,936	6,941	6,941
Tiburon Town	Marin	0.18	8,894	8,910	8,910
Balance of County	Marin	0.29	63,257	63,441	66,414
Incorporated	Marin	0.09	187,756	187,922	188,136
County Total	Marin	0.14	251,013	251,363	254,550
Balance of County	Mariposa	-0.21	16,897	16,861	16,917
County Total	Mariposa	-0.21	16,897	16,861	16,917
Fort Bragg City	Mendocino	-0.10	7,194	7,187	7,187
Point Arena City	Mendocino	1.57	445	452	452
Ukiah City	Mendocino	0.60	16,227	16,325	16,325
Willits City	Mendocino	-0.31	4,853	4,838	4,838
Balance of County	Mendocino	-0.09	61,031	60,975	61,025
Incorporated	Mendocino	0.29	28,719	28,802	28,802
County Total	Mendocino	0.03	89,750	89,777	89,827
Atwater City	Merced	-0.18	31,921	31,862	31,862
Dos Palos City	Merced	-0.28	5,728	5,712	5,712
Gustine City	Merced	-0.23	6,035	6,021	6,021
Livingston City	Merced	-0.07	14,451	14,441	14,441
Los Banos City	Merced	1.42	48,213	48,896	48,896
Merced City	Merced	5.26	93,138	98,039	98,039
Balance of County	Merced	-4.65	91,101	86,861	88,109
Incorporated	Merced	2.75	199,486	204,971	204,971
County Total	Merced	0.43	290,587	291,832	293,080
Alturas City	Modoc	-0.19	2,662	2,657	2,657
Balance of County	Modoc	-0.22	5,847	5,834	5,834
Incorporated	Modoc	-0.19	2,662	2,657	2,657
County Total	Modoc	-0.21	8,509	8,491	8,491
Mammoth Lakes Town	Mono	-1.47	7,145	7,040	7,040
Balance of County	Mono	-1.75	5,647	5,548	5,644
Incorporated	Mono	-1.47	7,145	7,040	7,040
County Total	Mono	-1.59	12,792	12,588	12,684
Carmel-by-the-Sea City	Monterey	-0.23	3,056	3,049	3,049
Del Rey Oaks City	Monterey	-0.32	1,551	1,546	1,546
Gonzales City	Monterey	-0.30	8,459	8,434	8,434
Greenfield City	Monterey	1.18	20,543	20,785	20,785
King City	Monterey	1.09	14,189	14,344	14,344
Marina City	Monterey	1.12	22,831	23,086	23,086
Monterey City	Monterey	-0.33	24,282	24,202	27,273
Pacific Grove City	Monterey	-0.43	14,935	14,871	14,871
Salinas City	Monterey	-0.24	161,039	160,645	160,645
Sand City	Monterey	-0.27	374	373	373
Seaside City	Monterey	1.35	26,367	26,724	32,019
Soledad City	Monterey	1.80	20,005	20,366	27,310
Balance of County	Monterey	-0.14	105,111	104,962	105,096
Incorporated	Monterey	0.25	317,631	318,425	333,735
County Total	Monterey	0.15	422,742	423,387	438,831
American Canyon City	Napa	2.94	21,757	22,396	22,396
Calistoga City	Napa	-0.41	5,181	5,160	5,160
Napa City	Napa	0.28	77,520	77,736	77,736
St Helena City	Napa	-0.13	5,356	5,349	5,349
Yountville City	Napa	-0.54	2,056	2,045	2,638
Balance of County	Napa	-0.30	21,840	21,775	22,845
Incorporated	Napa	0.73	111,870	112,686	113,279
County Total	Napa	0.56	133,710	134,461	136,124
Grass Valley City	Nevada	-0.72	13,461	13,364	13,364
Nevada City	Nevada	-0.86	3,365	3,336	3,336
Truckee Town	Nevada	0.03	16,923	16,928	16,928
Balance of County	Nevada	-0.63	67,092	66,667	66,726
Incorporated	Nevada	-0.36	33,749	33,628	33,628
County Total	Nevada	-0.54	100,841	100,295	100,354
Aliso Viejo City	Orange	-0.45	50,442	50,213	50,213
Anaheim City	Orange	-0.08	341,967	341,686	341,773
Brea City	Orange	-0.42	48,101	47,900	47,900
Buena Park City	Orange	-0.13	82,772	82,667	82,667
Costa Mesa City	Orange	0.25	110,048	110,321	110,321
Cypress City	Orange	-0.13	49,563	49,499	49,499
Dana Point City	Orange	-0.37	32,850	32,730	32,730
Fountain Valley City	Orange	-0.09	56,612	56,560	56,560
Fullerton City	Orange	-0.31	141,909	141,469	141,469
Garden Grove City	Orange	0.12	171,260	171,470	171,492
Huntington Beach City	Orange	-0.19	193,510	193,134	193,134
Irvine City	Orange	0.79	316,119	318,629	318,629
Laguna Beach City	Orange	0.02	22,759	22,763	22,763
Laguna Hills City	Orange	-0.41	30,435	30,309	30,309
Laguna Niguel City	Orange	0.65	64,834	65,257	65,257
Laguna Woods City	Orange	-0.46	17,262	17,183	17,183
La Habra City	Orange	-0.06	61,236	61,202	61,202
Lake Forest City	Orange	0.10	87,553	87,639	87,639
La Palma City	Orange	-0.44	15,177	15,110	15,110
Los Alamitos City	Orange	-0.32	12,044	12,006	12,006
Mission Viejo City	Orange	-0.28	91,993	91,740	91,740
Newport Beach City	Orange	-0.41	82,995	82,654	82,654
Orange City	Orange	0.95	138,403	139,724	139,724
Placentia City	Orange	2.52	52,653	53,982	53,982
Rancho Santa Margarita City	Orange	-0.46	46,553	46,341	46,341
San Clemente City	Orange	-0.35	63,085	62,865	62,865
San Juan Capistrano City	Orange	0.23	35,247	35,329	35,329
Santa Ana City	Orange	0.68	313,210	315,325	315,325

Seal Beach City	Orange	-0.47	24,439	24,325	24,400
Stanton City	Orange	-0.06	40,576	40,552	40,552
Tustin City	Orange	-0.15	79,449	79,326	79,326
Villa Park City	Orange	-0.21	5,750	5,738	5,738
Westminster City	Orange	0.13	90,181	90,295	90,295
Yorba Linda City	Orange	-0.46	66,573	66,267	66,267
Balance of County	Orange	0.54	132,313	133,023	133,033
Incorporated	Orange	0.15	3,037,560	3,042,210	3,042,394
County Total	Orange	0.17	3,169,873	3,175,233	3,175,427
Auburn City	Placer	-1.27	13,457	13,286	13,286
Colfax City	Placer	-1.48	2,026	1,996	1,996
Lincoln City	Placer	0.65	54,167	54,520	54,520
Loomis Town	Placer	-0.59	6,729	6,689	6,689
Rocklin City	Placer	0.28	72,967	73,172	73,172
Roseville City	Placer	0.76	157,304	158,494	158,494
Balance of County	Placer	-0.44	113,786	113,289	113,289
Incorporated	Placer	0.49	306,650	308,157	308,157
County Total	Placer	0.24	420,436	421,446	421,446
Portola City	Plumas	-0.94	2,118	2,098	2,098
Balance of County	Plumas	0.62	16,684	16,787	16,787
Incorporated	Plumas	-0.94	2,118	2,098	2,098
County Total	Plumas	0.44	18,802	18,885	18,885
Banning City	Riverside	-0.37	32,068	31,949	31,949
Beaumont City	Riverside	1.78	58,665	59,708	59,708
Blythe City	Riverside	-0.95	12,593	12,473	15,400
Calimesa City	Riverside	-0.79	11,082	10,994	10,994
Canyon Lake City	Riverside	-0.74	11,086	11,004	11,004
Cathedral City	Riverside	-0.67	51,962	51,615	51,651
Coachella City	Riverside	0.76	44,050	44,384	44,384
Corona City	Riverside	-0.32	159,667	159,157	159,157
Desert Hot Springs City	Riverside	0.02	33,255	33,262	33,262
Eastvale City	Riverside	-0.68	70,274	69,799	69,799
Hemet City	Riverside	0.20	91,751	91,934	91,934
Indian Wells City	Riverside	0.06	4,859	4,862	4,862
Indio City	Riverside	-0.17	92,693	92,539	92,539
Jurupa Valley City	Riverside	-0.90	106,830	105,870	105,928
Lake Elsinore City	Riverside	0.97	72,934	73,638	73,783
La Quinta City	Riverside	-0.90	39,148	38,796	38,796
Menifee City	Riverside	1.30	113,837	115,316	115,316
Moreno Valley City	Riverside	-0.27	211,389	210,823	210,823
Murrieta City	Riverside	0.44	111,299	111,789	111,789
Norco City	Riverside	-0.63	22,563	22,421	25,221
Palm Desert City	Riverside	0.04	51,961	51,980	51,980
Palm Springs City	Riverside	-0.63	44,760	44,476	44,476
Perris City	Riverside	0.36	80,947	81,240	81,240
Rancho Mirage City	Riverside	-0.62	17,227	17,120	17,120
Riverside City	Riverside	-0.37	321,479	320,278	320,337
San Jacinto City	Riverside	0.10	54,936	54,990	54,990
Temecula City	Riverside	1.19	110,898	112,220	112,220
Wildomar City	Riverside	0.05	37,060	37,077	37,077
Balance of County	Riverside	1.53	411,338	417,646	417,901
Incorporated	Riverside	0.02	2,071,273	2,071,714	2,077,739
County Total	Riverside	0.27	2,482,611	2,489,360	2,495,640
Citrus Heights City	Sacramento	-0.43	86,655	86,280	86,280
Elk Grove City	Sacramento	1.24	180,599	182,842	182,842
Folsom City	Sacramento	3.69	84,416	87,532	92,577
Galt City	Sacramento	1.38	25,738	26,092	26,092
Isleton City	Sacramento	-0.65	769	764	764
Rancho Cordova City	Sacramento	3.16	82,837	85,451	85,451
Sacramento City	Sacramento	0.31	526,327	527,979	527,979
Balance of County	Sacramento	-0.26	604,360	602,760	602,760
Incorporated	Sacramento	0.97	987,341	996,940	1,001,985
County Total	Sacramento	0.50	1,591,701	1,599,700	1,604,745
Hollister City	San Benito	0.51	43,272	43,492	43,492
San Juan Bautista City	San Benito	-0.81	2,095	2,078	2,078
Balance of County	San Benito	0.50	21,147	21,252	21,252
Incorporated	San Benito	0.45	45,367	45,570	45,570
County Total	San Benito	0.46	66,514	66,822	66,822
Adelanto City	San Bernardino	1.42	36,629	37,150	37,150
Apple Valley Town	San Bernardino	-0.11	75,339	75,255	75,262
Barstow City	San Bernardino	-0.55	24,634	24,498	24,811
Big Bear Lake City	San Bernardino	-0.48	4,977	4,953	4,953
Chino City	San Bernardino	1.76	90,123	91,712	95,206
Chino Hills City	San Bernardino	-0.18	77,452	77,314	77,314
Colton City	San Bernardino	-0.42	53,505	53,278	53,278
Fontana City	San Bernardino	0.96	217,084	219,172	219,172
Grand Terrace City	San Bernardino	-0.51	12,868	12,803	12,803
Hesperia City	San Bernardino	0.54	101,248	101,792	101,792
Highland City	San Bernardino	1.16	56,436	57,088	57,088
Loma Linda City	San Bernardino	-0.19	25,323	25,276	25,322
Montclair City	San Bernardino	-0.38	37,670	37,526	37,526
Needles City	San Bernardino	-0.54	4,817	4,791	4,791
Ontario City	San Bernardino	0.84	182,875	184,404	184,404
Rancho Cucamonga City	San Bernardino	0.44	175,227	175,992	175,992
Redlands City	San Bernardino	0.10	73,416	73,488	73,488
Rialto City	San Bernardino	1.09	104,426	105,565	105,565
San Bernardino City	San Bernardino	0.08	221,218	221,387	222,727
Twentynine Palms City	San Bernardino	7.84	14,775	15,934	24,257

Upland City	San Bernardino	-0.23	79,326	79,140	79,140
Victorville City	San Bernardino	0.49	135,981	136,652	141,013
Yucaipa City	San Bernardino	0.51	54,561	54,838	54,838
Yucca Valley Town	San Bernardino	0.03	22,021	22,027	22,027
Balance of County	San Bernardino	-0.22	290,454	289,811	297,505
Incorporated	San Bernardino	0.54	1,881,931	1,892,035	1,909,919
County Total	San Bernardino	0.44	2,172,385	2,181,846	2,207,424
Carlsbad City	San Diego	-0.24	116,652	116,368	116,368
Chula Vista City	San Diego	0.19	280,590	281,137	281,401
Coronado City	San Diego	-0.41	17,471	17,400	22,610
Del Mar City	San Diego	0.05	3,948	3,950	3,950
El Cajon City	San Diego	-0.47	105,429	104,932	104,932
Encinitas City	San Diego	0.17	61,851	61,956	61,956
Escondido City	San Diego	-0.63	151,386	150,425	150,425
Imperial Beach City	San Diego	-0.35	26,462	26,369	26,369
La Mesa City	San Diego	-0.27	61,072	60,908	60,908
Lemon Grove City	San Diego	0.93	27,903	28,163	28,163
National City	San Diego	0.07	56,900	56,941	58,965
Oceanside City	San Diego	0.44	173,569	174,340	174,340
Poway City	San Diego	0.86	49,948	50,379	50,379
San Diego City	San Diego	1.15	1,378,448	1,394,234	1,408,937
San Marcos City	San Diego	-0.14	97,261	97,123	97,123
Santee City	San Diego	-0.60	59,928	59,568	59,568
Solana Beach City	San Diego	-0.52	13,054	12,986	12,986
Vista City	San Diego	-0.14	101,740	101,599	101,599
Balance of County	San Diego	-0.19	470,041	469,135	509,160
Incorporated	San Diego	0.54	2,783,612	2,798,778	2,820,979
County Total	San Diego	0.44	3,253,653	3,267,913	3,330,139
San Francisco City	San Francisco	-0.39	844,789	841,467	842,027
Incorporated	San Francisco	-0.39	844,789	841,467	842,027
County Total	San Francisco	-0.39	844,789	841,467	842,027
Escalon City	San Joaquin	-1.43	7,337	7,232	7,232
Lathrop City	San Joaquin	4.03	37,102	38,596	38,596
Lodi City	San Joaquin	-0.25	67,262	67,093	67,093
Manteca City	San Joaquin	1.76	92,116	93,733	93,733
Mountain House City	San Joaquin	0.00		28,795	28,795
Ripon City	San Joaquin	-1.33	15,966	15,753	15,753
Stockton City	San Joaquin	-0.77	323,325	320,847	320,877
Tracy City	San Joaquin	0.73	97,501	98,215	98,215
Balance of County	San Joaquin	-16.29	159,392	133,422	135,562
Incorporated	San Joaquin	4.63	640,609	670,264	670,294
County Total	San Joaquin	0.46	800,001	803,686	805,856
Arroyo Grande City	San Luis Obispo	-0.64	18,025	17,910	17,910
Atascadero City	San Luis Obispo	-0.72	29,305	29,093	30,134
El Paso de Robles City	San Luis Obispo	0.24	30,988	31,061	31,061
Grover Beach City	San Luis Obispo	-0.35	12,455	12,411	12,411
Morro Bay City	San Luis Obispo	0.00	10,404	10,404	10,404
Pismo Beach City	San Luis Obispo	-0.69	7,858	7,804	7,804
San Luis Obispo City	San Luis Obispo	1.52	48,791	49,534	49,534
Balance of County	San Luis Obispo	-0.61	118,580	117,852	120,079
Incorporated	San Luis Obispo	0.25	157,826	158,217	159,258
County Total	San Luis Obispo	-0.12	276,406	276,069	279,337
Atherton Town	San Mateo	-0.33	7,030	7,007	7,007
Belmont City	San Mateo	3.90	27,146	28,206	28,206
Brisbane City	San Mateo	-0.51	4,700	4,676	4,676
Burlingame City	San Mateo	2.55	30,768	31,552	31,552
Colma Town	San Mateo	-0.70	1,421	1,411	1,411
Daly City	San Mateo	-0.16	102,315	102,155	102,155
East Palo Alto City	San Mateo	-0.65	29,325	29,133	29,133
Foster City	San Mateo	-0.60	32,856	32,658	32,658
Half Moon Bay City	San Mateo	-0.26	11,333	11,303	11,303
Hillsborough Town	San Mateo	0.38	11,211	11,254	11,254
Menlo Park City	San Mateo	-0.35	33,291	33,175	33,311
Millbrae City	San Mateo	-0.53	23,288	23,164	23,164
Pacifica City	San Mateo	-0.41	37,365	37,212	37,217
Portola Valley Town	San Mateo	-0.02	4,286	4,285	4,285
Redwood City	San Mateo	-0.57	82,546	82,073	82,073
San Bruno City	San Mateo	0.29	42,507	42,631	42,631
San Carlos City	San Mateo	-0.45	29,669	29,535	29,535
San Mateo City	San Mateo	0.09	104,221	104,315	104,315
South San Francisco City	San Mateo	0.39	65,146	65,397	65,397
Woodside Town	San Mateo	0.58	5,176	5,206	5,206
Balance of County	San Mateo	-0.32	62,047	61,848	61,848
Incorporated	San Mateo	0.11	685,600	686,348	686,489
County Total	San Mateo	0.07	747,647	748,196	748,337
Buellton City	Santa Barbara	2.23	4,980	5,091	5,091
Carpinteria City	Santa Barbara	0.09	12,723	12,735	12,735
Goleta City	Santa Barbara	0.45	32,601	32,747	32,747
Guadalupe City	Santa Barbara	1.81	8,694	8,851	8,851
Lompoc City	Santa Barbara	0.05	40,518	40,538	43,424
Santa Barbara City	Santa Barbara	0.31	86,159	86,422	86,451
Santa Maria City	Santa Barbara	1.19	110,885	112,208	112,208
Solvang City	Santa Barbara	0.47	5,728	5,755	5,755
Balance of County	Santa Barbara	0.52	136,287	136,992	139,870
Incorporated	Santa Barbara	0.68	302,288	304,347	307,262
County Total	Santa Barbara	0.63	438,575	441,339	447,132
Campbell City	Santa Clara	-0.22	43,377	43,281	43,281
Cupertino City	Santa Clara	-0.09	59,887	59,831	59,831

Gilroy City	Santa Clara	1.10	61,402	62,076	62,205
Los Altos City	Santa Clara	0.62	31,523	31,720	31,720
Los Altos Hills Town	Santa Clara	0.33	8,520	8,548	8,548
Los Gatos Town	Santa Clara	-0.43	33,500	33,355	33,355
Milpitas City	Santa Clara	-0.59	82,401	81,915	81,915
Monte Sereno City	Santa Clara	0.66	3,613	3,637	3,637
Morgan Hill City	Santa Clara	0.06	46,573	46,599	46,599
Mountain View City	Santa Clara	-0.19	86,674	86,513	86,513
Palo Alto City	Santa Clara	0.31	68,550	68,763	68,794
San Jose City	Santa Clara	-0.08	980,174	979,415	979,415
Santa Clara City	Santa Clara	0.57	133,829	134,587	134,587
Saratoga City	Santa Clara	0.29	31,020	31,110	31,110
Sunnyvale City	Santa Clara	0.46	158,948	159,673	159,673
Balance of County	Santa Clara	-0.21	90,602	90,412	91,076
Incorporated	Santa Clara	0.06	1,829,991	1,831,023	1,831,183
County Total	Santa Clara	0.04	1,920,593	1,921,435	1,922,259
Capitola City	Santa Cruz	-0.35	9,704	9,670	9,670
Santa Cruz City	Santa Cruz	0.18	62,861	62,972	62,972
Scotts Valley City	Santa Cruz	-0.04	11,836	11,831	11,831
Watsonville City	Santa Cruz	0.47	50,860	51,101	51,101
Balance of County	Santa Cruz	-0.04	128,130	128,079	128,136
Incorporated	Santa Cruz	0.23	135,261	135,574	135,574
County Total	Santa Cruz	0.10	263,391	263,653	263,710
Anderson City	Shasta	-0.73	11,048	10,967	10,967
Redding City	Shasta	0.09	93,330	93,413	93,534
Shasta Lake City	Shasta	-0.74	10,209	10,133	10,133
Balance of County	Shasta	-0.49	65,836	65,514	65,567
Incorporated	Shasta	-0.06	114,587	114,513	114,634
County Total	Shasta	-0.22	180,423	180,027	180,201
Loyalton City	Sierra	-0.27	732	730	730
Balance of County	Sierra	-0.20	2,445	2,440	2,440
Incorporated	Sierra	-0.27	732	730	730
County Total	Sierra	-0.22	3,177	3,170	3,170
Dorris City	Siskiyou	-0.84	837	830	830
Dunsmuir City	Siskiyou	-0.91	1,643	1,628	1,628
Etna City	Siskiyou	-0.75	667	662	662
Fort Jones City	Siskiyou	-0.75	668	663	663
Montague City	Siskiyou	-0.42	1,200	1,195	1,195
Mount Shasta City	Siskiyou	-0.72	3,202	3,179	3,179
Tulelake City	Siskiyou	-0.82	858	851	851
Weed City	Siskiyou	0.30	2,708	2,716	2,716
Yreka City	Siskiyou	0.64	7,829	7,879	7,879
Balance of County	Siskiyou	-0.49	23,772	23,656	23,708
Incorporated	Siskiyou	-0.05	19,612	19,603	19,603
County Total	Siskiyou	-0.29	43,384	43,259	43,311
Benicia City	Solano	-0.58	26,347	26,195	26,195
Dixon City	Solano	2.89	19,608	20,174	20,174
Fairfield City	Solano	-0.07	116,199	116,112	120,720
Rio Vista City	Solano	1.78	10,157	10,338	10,338
Suisun City	Solano	-0.13	29,074	29,036	29,036
Vacaville City	Solano	0.04	97,347	97,382	103,181
Vallejo City	Solano	-0.48	122,791	122,207	122,207
Balance of County	Solano	-0.27	17,285	17,238	17,988
Incorporated	Solano	-0.02	421,523	421,444	431,851
County Total	Solano	-0.03	438,808	438,682	449,839
Cloverdale City	Sonoma	-0.97	8,763	8,678	8,678
Cotati City	Sonoma	-0.86	7,353	7,290	7,290
Healdsburg City	Sonoma	-0.35	11,010	10,972	10,972
Petaluma City	Sonoma	0.40	58,858	59,094	59,094
Rohnert Park City	Sonoma	-0.06	44,089	44,062	44,062
Santa Rosa City	Sonoma	0.80	177,043	178,452	178,452
Sebastopol City	Sonoma	0.40	7,338	7,367	7,367
Sonoma City	Sonoma	-0.83	10,595	10,507	10,507
Windsor Town	Sonoma	-0.17	25,669	25,625	25,625
Balance of County	Sonoma	-0.46	130,591	129,985	130,801
Incorporated	Sonoma	0.38	350,718	352,047	352,047
County Total	Sonoma	0.15	481,309	482,032	482,848
Ceres City	Stanislaus	-0.35	49,480	49,305	49,305
Hughson City	Stanislaus	2.26	7,801	7,977	7,977
Modesto City	Stanislaus	0.03	219,705	219,765	219,765
Newman City	Stanislaus	1.05	12,260	12,389	12,389
Oakdale City	Stanislaus	0.28	23,167	23,231	23,231
Patterson City	Stanislaus	3.57	24,977	25,868	25,868
Riverbank City	Stanislaus	3.16	25,290	26,090	26,090
Turlock City	Stanislaus	0.31	71,997	72,219	72,219
Waterford City	Stanislaus	0.09	9,161	9,169	9,169
Balance of County	Stanislaus	-0.02	109,776	109,752	109,752
Incorporated	Stanislaus	0.49	443,838	446,013	446,013
County Total	Stanislaus	0.39	553,614	555,765	555,765
Live Oak City	Sutter	0.58	9,602	9,658	9,658
Yuba City	Sutter	0.96	69,781	70,453	70,453
Balance of County	Sutter	0.49	20,048	20,146	20,146
Incorporated	Sutter	0.92	79,383	80,111	80,111
County Total	Sutter	0.83	99,431	100,257	100,257
Corning City	Tehama	1.30	8,162	8,268	8,268
Red Bluff City	Tehama	0.11	14,450	14,466	14,466
Tehama City	Tehama	0.23	427	428	428
Balance of County	Tehama	-0.41	41,702	41,532	41,665

Incorporated	Tehama	0.53	23,039	23,162	23,162
County Total	Tehama	-0.07	64,741	64,694	64,827
Balance of County	Trinity	-0.16	15,850	15,825	15,884
County Total	Trinity	-0.16	15,850	15,825	15,884
Dinuba City	Tulare	0.67	25,852	26,025	26,025
Exeter City	Tulare	-0.19	10,252	10,233	10,233
Farmersville City	Tulare	-0.29	10,422	10,392	10,392
Lindsay City	Tulare	-0.07	12,734	12,725	12,725
Porterville City	Tulare	0.04	63,427	63,455	63,622
Tulare City	Tulare	2.02	71,557	73,002	73,002
Visalia City	Tulare	0.69	145,714	146,722	146,978
Woodlake City	Tulare	2.72	7,793	8,005	8,005
Balance of County	Tulare	0.54	135,452	136,180	136,227
Incorporated	Tulare	0.81	347,751	350,559	350,982
County Total	Tulare	0.73	483,203	486,739	487,209
Sonora City	Tuolumne	-0.74	5,154	5,116	5,116
Balance of County	Tuolumne	-0.27	46,963	46,836	49,241
Incorporated	Tuolumne	-0.74	5,154	5,116	5,116
County Total	Tuolumne	-0.32	52,117	51,952	54,357
Camarillo City	Ventura	-0.78	69,467	68,927	68,927
Fillmore City	Ventura	-0.35	17,095	17,035	17,035
Moorpark City	Ventura	-0.77	35,023	34,754	34,754
Ojai City	Ventura	0.04	7,556	7,559	7,559
Oxnard City	Ventura	0.18	198,384	198,733	198,733
Port Hueneme City	Ventura	-0.81	19,024	18,870	20,838
San Buenaventura (Ventura) City	Ventura	0.58	108,304	108,930	108,985
Santa Paula City	Ventura	0.47	31,511	31,658	31,658
Simi Valley City	Ventura	0.00	124,640	124,645	124,815
Thousand Oaks City	Ventura	-0.73	123,372	122,468	122,468
Balance of County	Ventura	1.49	90,070	91,416	93,233
Incorporated	Ventura	-0.11	734,376	733,579	735,772
County Total	Ventura	0.07	824,446	824,995	829,005
Davis City	Yolo	-0.43	65,708	65,423	65,423
West Sacramento City	Yolo	0.85	54,938	55,403	55,403
Winters City	Yolo	4.14	7,702	8,021	8,021
Woodland City	Yolo	0.35	61,406	61,623	61,623
Balance of County	Yolo	1.83	34,334	34,963	34,963
Incorporated	Yolo	0.38	189,754	190,470	190,470
County Total	Yolo	0.60	224,088	225,433	225,433
Marysville City	Yuba	-0.84	12,825	12,717	12,717
Wheatland City	Yuba	2.29	3,922	4,012	4,012
Balance of County	Yuba	0.57	65,454	65,828	68,294
Incorporated	Yuba	-0.11	16,747	16,729	16,729
County Total	Yuba	0.43	82,201	82,557	85,023

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Previous Roll Year - 2023/24
AB8 Roll Year - 2024/25

SANTA CRUZ COUNTY NONRESIDENTIAL CONSTRUCTION TRANSACTIONS
DISTRIBUTED AMOUNTS BY GLKey
Includes all new construction to be completed in 2024

GLKey	Fund Description	Non Residential Growth from Construction	Current Roll Assessed Vallue	Previous Roll Assessed Value	Change in Assessed Value	Non Residential Growth %
131220	**S C COUNTY GENERAL**	**814,612**	**61,100,607,671**	**58,522,924,161**	2,577,683,510	0.0316%
131410	LAKESIDE SCH DIST TR-GEN	8,930	472,354,162	457,846,926	14,507,236	0.0616%
131412	LOMA PRIETA SCH DIST TR GENL	122,338	1,319,673,587	1,280,491,289	39,182,298	0.3122%
131414	LOS GATOS HIGH DIST TR GENL	121,330	1,792,027,749	1,738,338,215	53,689,534	0.2260%
131424	SANTA CLARA SPEC SCHOOL TRAINI	2,025	1,792,027,749	1,738,338,215	53,689,534	0.0038%
131426	SANTA CLARA INST TUITION TAX	1,100	1,792,027,749	1,738,338,215	53,689,534	0.0020%
131428	SANTA CLARA DEV CTR-HNDCPD MIN	3,492	1,792,027,749	1,738,338,215	53,689,534	0.0065%
131430	SANTA CLARA PHYSICALLY HANDCPP	8,085	1,792,027,749	1,738,338,215	53,689,534	0.0151%
131432	CO SCH SV SANTA CLARA	3,345	1,792,027,749	1,738,338,215	53,689,534	0.0062%
131434	LOMA PRIETA SCH AREAWIDE	52,577	1,319,673,587	1,280,491,289	39,182,298	0.1342%
131436	SANTA CLARA - ALL CAPITAL OUTL	2,759	1,792,027,749	1,738,338,215	53,689,534	0.0051%
131440	JUVENILE HALL SCH SANTA CLARA	1,658	1,792,027,749	1,738,338,215	53,689,534	0.0031%
131442	LAKESIDE AREAWIDE	4,944	472,354,162	457,846,926	14,507,236	0.0341%
131444	WEST VALLEY COM COLL TR GENL	57,039	1,737,530,305	1,685,832,112	51,698,193	0.1103%
131610	**CAPITOLA CITY TR**	**-**	**3,305,186,041**	**3,157,742,571**	147,443,470	0.0000%
131622	**SANTA CRUZ CITY TR**	**93,002**	**13,468,834,412**	**12,804,305,160**	664,529,252	0.0140%
131627	SANTA CRUZ PARKING #1	-	586,717,949	540,985,432	45,732,517	0.0000%
131630	**SCOTTS VALLEY CITY TR**	**-**	**3,813,118,241**	**3,702,822,488**	110,295,753	0.0000%
131648	**WATSONVILLE CITY - TRUST**	**-**	**5,578,835,033**	**5,300,042,412**	278,792,621	0.0000%
131855	COUNTY LIBRARY	83,508	45,102,248,134	43,353,325,120	1,748,923,014	0.0048%
134910	REC & PARKS - CO SERV AREA #11	7,230	32,454,037,649	30,813,778,701	1,640,258,948	0.0004%
135461	SC FLOOD CONT & WTR CONS ZONE 4	7,584	61,098,283,261	58,427,821,081	2,670,462,180	0.0003%
135462	SC FLOOD CONT & WAT CONS DISTGEN	6,464	61,100,607,671	58,522,924,161	2,577,683,510	0.0003%
304100	COUNTY FIRE	37,242	5,075,041,810	4,927,064,125	147,977,685	0.0252%
622115	CO HWY SAFETY SERVICE AREA #9	6,640	34,657,161,049	33,630,730,460	1,026,430,589	0.0006%
622120	CO HWY SAFETY SERV AREA #9-A	346	23,348,199,671	14,403,400,707	8,944,798,964	0.0000%
622245	PAJARO STORM DRAIN MAINT DIST	1,510	9,194,350,212	8,782,549,016	411,801,196	0.0004%
622350	SC FLOOD CONT & WTR CONS ZONE 5	274	12,019,742,954	11,480,684,467	539,058,487	0.0001%
640401	MOUNTAIN SCH DIST GENL	208,204	362,923,615	350,999,855	11,923,760	1.7461%
640801	SOQUEL SCH DIST GENL	16,079	7,702,072,606	7,353,111,186	348,961,420	0.0046%
641210	COUNTY SCHOOL SERVICE	75,592	59,308,579,922	56,784,585,945	2,523,993,977	0.0030%
641401	S C HI SCH DIST GENL	192,462	28,766,477,700	27,476,578,671	1,289,899,029	0.0149%
641501	S C SCH DIST GENL	113,774	14,067,195,516	13,371,607,345	695,588,171	0.0164%
642001	PAJ VAL UNIF SCH DIST GENL	621,789	19,723,311,076	18,857,091,573	866,219,503	0.0718%
642501	642501 CABRILLO COMM COL DIST GENERAL	175,250	59,363,077,366	56,837,092,048	2,525,985,318	0.0069%
681410	CENTRAL WATER DIST GEN	24,279	748,771,891	716,711,146	32,060,745	0.0757%
682500	CENTRAL FPD OF SANTA CRUZ COUNTY	191,284	22,906,053,944	21,906,566,940	999,487,004	0.0191%
683100	PAJARO VALLEY FIRE PROTECTION DIST G	3,962	2,096,381,684	2,020,509,220	75,872,464	0.0052%
683310	PAJARO VALLEY PUB CEM DIST	13,299	10,492,850,315	10,038,037,387	454,812,928	0.0029%
684000	S C PORT DIST TR GENL	4,816	22,848,634,833	22,153,026,427	695,608,406	0.0007%
684810	S C CO RESOURCE CONS DIST	590	38,244,754,469	36,720,526,865	1,524,227,604	0.0000%
689510	ZAYANTE FIRE PROT DIST	781	719,818,229	698,576,366	21,241,863	0.0037%
	Total	3,090,195				

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Stephanie Hill, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Annual review of the Investment Policy**

SUMMARY OF ISSUE

The State of California Government Code Section 53646 states that a City Treasurer may submit the City Investment Policy to the City Council for review and approval. While not required, it is best practice to have the local governing body review and approve its investment policy.

The City's current Investment Policy is attached at the end of this Staff Report for your information. The City's Investment Policy affirms the City's fiduciary responsibility to safeguard public assets. A high priority is placed on ensuring the safety of the principal and that the City's liquidity needs for payroll and other City obligations are met prior to considering yield on the investment.

The investments authorized in the Investment Policy are typical governmental investments and are broadly recognized as reasonably safe investments. More risky investments, such as derivative investments or reverse repurchase agreements, have been categorically excluded from the City's Investment Policy. Currently, the City invests most of its cash, other than bond proceeds, in the State of California Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP), which have proved to be safe investments with a good yield and highly liquid.

A glossary of investment security terms and a summary of permitted investments and limitations are included at the back of the Investment Policy, as a guide to the reader.

FISCAL IMPACT

Reviewing and approving the continuance of the Investment Policy will have no fiscal impact.

STAFF RECOMMENDATION

It is recommended that the City Council review and approve the continuance of the Investment Policy.

TABLE OF CONTENTS

1. Investment Policy

CITY OF SCOTTS VALLEY COUNCIL POLICY MANUAL

TITLE: INVESTMENT POLICY	**POLICY NUMBER:** 05-17
EFFECTIVE DATE: 6/5/2019	**PAGES:** 12
REVISED DATES: 6/3/2020, 6/16/2021, 6/15/2022, 4/19/23, 6/12/2024	

APPROVED BY: Randy Johnson, Mayor

A. PURPOSE

This investment policy is designed to develop a clear understanding for the City Council, City staff, citizens, and third parties of the objectives, policies, and guidelines for the investment of City funds which are not required for immediate needs. The investment policy also offers guidance to investment staff and to any external investment advisors on the investment of City funds.

This statement is intended to provide direction for the investment of the City's temporary idle cash under the prudent investor rule. Civil Code Section 2261, et seq. states in part "...When investing...for the benefit of another, a trustee shall act with the care, skill, prudence, and diligence...that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise..."

B. OBJECTIVES

The City's ultimate investment goal is to enhance the economic condition of the City while ensuring the safety of funds invested and assuring that money is always available when needed.

The City strives to maintain the level of investment of all idle funds as near 100% as possible, through the optimum operation of its cash management system which is designed to accurately monitor and forecast expenditures and revenue. The City attempts to obtain the highest yield on its investments with preservation of principal and liquidity.

The primary objective of the investment policy of the City of Scotts Valley is SAFETY. Investments shall be placed only in securities described in this policy, authorized by federal, state, and local laws and regulations, and managed in a manner that seeks to ensure the preservation of principal. The portfolio shall also be appropriately diversified to avoid incurring unreasonable risks regarding specific types of individual financial institutions. Maximizing interest earned is a secondary objective once safety, liquidity, and legality have been assured.

C. DELEGATION OF AUTHORITY

The City delegates the authority to invest to the City Manager and City Treasurer and appropriate assistant, subject to the limitations set forth in the Investment Policy and Investment Guidelines. The City holds its public investor harmless for responsible investment transactions undertaken in accordance with the Investment Policy, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The City may delegate the investment of City funds to a professional investment advisor registered under the provisions of the Investment Advisors Act of 1940, subject to approval by the City Council. All investments shall be consistent with this Investment Policy and procedures established by the City Treasurer.

D. ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial decisions. Additionally, the City Manager and City Treasurer are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

E. INVESTMENT GUIDELINES AND INVESTMENT STRATEGY

The City uses a set of written Investment Guidelines which define the procedures for investing within the directives of the Investment Policy. In accordance with the Investment Guidelines, an investment strategy is used to maximize yield depending on market conditions.

To maximize returns, the economy and various markets are monitored carefully in order to assess the probable course of interest rates. The City lengthens its maturities when rates are falling and shortens maturities when rates are rising. The City attempts to take advantage of imperfections in the market where a security's price is out of line with other investments, and tries to improve yields during cyclical changes in interest rates.

F. SCOPE

This policy applies to all cash assets of the City of Scotts Valley, the Scotts Valley Redevelopment Agency, and the Scotts Valley Public Financing Authority. Included are all pooled funds accounted for in the City's Comprehensive Annual Financial Report, as follows:

- General Funds
- Special Funds
- Debt Service Funds
- Capital Project Funds
- Internal Service Funds
- Enterprise Funds
- Trust and Agency Funds

Excluded funds are those held by a fiscal agent, over which the City does not exercise control over investment of the funds.

G. PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

The investment of surplus funds is governed by California Government Code Section 53601 et seq. and by California Government Code section 53630 et seq.

Funds not deposited in banks may be invested in the securities described in sections a-j below. The maximum maturity of any securities purchased shall not exceed five (5) years from date of purchase, unless specified below as shorter than five years, or unless a longer maturity is allowed by bond documents for the investment of bond proceeds, as described in section 1 below. All investments shall be subject to limitations as described herein.

1. Obligations of the U.S. Treasury, or securities guaranteed by the full faith and credit of the United States ("Treasury Obligations"), excluding securities which have been stripped of their coupons.

    a. There is no limitation to the percent of the portfolio which may be held in these Treasury obligations.

2. Obligations which are guaranteed by the full faith and credit of agencies or instrumentalities of the U.S. government ("Agency obligations"), including but not limited to FNMA, FFCB, FHLB, and SLMA.

    a. There is no limitation to the percent of the portfolio which may be held in these Agency obligations.

3. Negotiable certificates of deposit at banks, the short-term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Service, and the long term obligations (if any) of which are rated A or higher by Standard and Poor's or by Moody's Investors Service, or the equivalent by another recognized rating agency.

    a. The maximum maturity of certificates of deposit may not exceed five years.

    b. No more than 30% of the portfolio, excluding bond proceeds, may be invested in certificates of deposit.

    c. The institution must be located in California.

    d. The institution must have current financial information, a signed contract, and a waiver on file with the City.

    e. The institution must maintain a net worth to asset ratio of at least 30% and have a positive earnings record.

    f. The institution must be at least 3 years old.

    g. For collateralized investments, the institution must have at least $500 million in assets.

4. Banker's acceptances issued by banks, the short term obligations of which are rated A1 or higher by Standard and Poor's or rated P1 or higher by Moody's Investors Services, or the equivalent by another nationally rating agency.

    a. The maximum maturity of banker's acceptances may not exceed 180 days.

    b. No more than 40% of the portfolio, excluding bond proceeds, may be invested in banker's acceptances.

5. Commercial paper issued by corporations, the short term obligations of which are rated A1 or higher by Standard and Poor's, or P1 by Moody's Investor Services, or the equivalent by another nationally recognized rating agency.

    a. The maximum maturity of commercial paper may not exceed 270 days.

    b. Eligible paper is limited to notes issued by corporations organized and operating within the United States and having total assets in excess of $500 million, and having a long term debt rating of "A" or higher.

    c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in commercial paper.

    d. An additional 15% of the portfolio (for a total of 30%), excluding bond proceeds, may be invested in commercial paper if the dollar-weighted average maturity of the entire amount does not exceed 31 days.

6. Repurchase agreements collateralized by any securities permitted under paragraphs 1. and 2. of this section of this policy (Treasury obligations or Agency obligations).

    a. The term of a repurchase agreement may not exceed 30 days.

    b. The market value of securities shall not be less than 102% of the repurchase amount.

    c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in repurchase agreements.

    d. The repurchase agreements shall be subject to a master repurchase agreement between the City and the provider of the repurchase agreement. The repurchase agreement shall be substantially in the form developed by the Public Securities Association.

    e. Collateral underlying repurchase agreements shall be delivered to the City's custodial bank. Clearly marked evidence of ownership (safekeeping receipts) must be supplied to the bank.

7. Corporate medium notes, rated A or higher by Moody's Investor Services and by Standard and Poor's.

    a. No more than 30% of the portfolio, excluding bond proceeds, may be invested in corporate medium term notes.

8. Mortgage pass through securities issued by an agency of the U.S. government.

    a. No more than 15% of the portfolio, excluding bond proceeds, may be invested in mortgage pass through securities.

9. Money market mutual funds with a minimum of $250 million is assets which invest in securities described in a. through h. above, provided:

    a. The fund has attained the highest rating provided by two of the three largest nationally recognized rating agencies, or

    b. The fund has an investment advisor registered with the Securities and Exchange Commission with not less than five year's experience investing in the securities and obligations in a. through h. above.

    c. No more than 15% of the portfolio, excluding bond proceeds, may be invested in money market mutual funds.

10. The State of California "Local Agency Investment Fund" ("LAIF"):.

    a. No more than the maximum deposit allowed per agency set by the State Treasurer may be invested in LAIF.

    b. Annual review of LAIF's Pool Money Investment Board Annual Report will be conducted to continue to ensure LAIF's investment policy, standards, and rate of return are compatible with the City's risk tolerance.

11. Joint Powers Authority Pool (JPAP): Funds may be invested in a JPAP organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in Section 53601, subdivisions (a) to (q) where each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

    a. Prior to investing, and on an annual basis thereafter, the City will request from each Joint Powers Authority Pool, documents which provide details on the operations of the fund. These documents, along with the other criteria below, including the rating restriction, will be used to determine the suitability to invest in the JPAP.

    b. Investment in JPAPs will be limited to the California Asset Management Program (CAMP) and the Investment Trust of California (CalTRUST).

    c. Ratings of a JPAP must be in a rating category of AAf/S-1+ for CalTrust or AAAm for CAMP, or its equivalent by Moody's, S&P or Fitch.

    d. There is no limit on the percent of the portfolio, excluding bond proceeds, that may be invested in JPAP's.

12. The City of Scotts Valley also utilizes deposits from commercial banks for regular depository services including operating and payroll accounts. Utilization of "sweep" account services provides short term interest on operating funds. Interest-bearing

accounts may also be maintained for certain individual City funds.

a. Deposits in local banks or savings and loans must be consistent with the basic investment goals which stress safety and liquidity above yield.

b. All bank and savings and loan association deposits shall be insured by the FDIC or, to the extent not insured, be collateralized with securities in accordance with California law.

13. Bond proceeds, obligations under lease, installment sales, or proceeds from other agreements of the City may be invested with more flexibility, in accordance with Section 53601 of the California Government Code, in any security that meets the statutory provisions governing the issuance of bonds or other agreements made by the City.

H. POLICY CRITERIA FOR SELECTING INVESTMENTS, IN ORDER OF PRIORITY

1. **Safety**

Safety and the minimization of risk associated with investing refers to attempts to reduce the potential for loss of principal, interest, or combination of the two. The first level of risk for municipalities. The second level of risk control is reduction of default risk by investing in instruments that appear upon examination to be the most creditworthy. The third level of risk control is reduction of market risk by investing in instruments that have maturities coinciding with dates of disbursement, thereby eliminating risk of loss from a forced sale. The City only invests in those instruments that are considered very safe.

2. **Liquidity**

Liquidity refers to the “ability to easily sell” at any time with a minimal risk of losing some portion of principal or interest. Liquidity is an important quality for an investment to have, for at any time the City may have unexpected or unusual circumstances that result in larger disbursements than expected, and some investments may need to be sold to meet the contingency. Most investments of the City are highly liquid, with the exception of bond proceeds. Maturities of investments are selected in anticipation if disbursement needs, thereby obviating the need for forced liquidation or lost interest penalties.

3. **Yield**

Yield is the potential dollar earnings an investment can provide, and also is sometimes described as the rate of return. The City attempts to obtain the highest yield possible when selecting an investment, provided that the criteria stated in the Investment Policy for safety and liquidity are met and provided that the Investment Guidelines and Strategy are followed.

I. POLICY CONSTRAINTS

The City operates its investment program with many state and self-imposed constraints. The City does not speculate; it does not buy stocks; it does not deal in futures or options; it does not purchase on margin through reverse repurchase agreements. The weighted average life of the portfolio is maintained within the limits dictated by the cash flow needs of the City and by Investment Guidelines. The City diversifies its investments to reduce

potential default on market risks. The portfolio is carefully monitored to assure the prudent management of the portfolio.

J. SELECTION OF INVESTMENT CONTACTS

The City determines those firms with which it will do investment business through a process outlined in the Investment Guidelines. The City will not invest with any firm not on the approved list of Investment Contacts.

K. SAFEKEEPING

All securities in the City's portfolio are maintained in the City's vault or in an acceptable safekeeping account with a perfected interest in the City's name, and are evidenced by safekeeping receipts. All transactions will be conducted as delivery-vs-payment settlements.

L. INVESTMENT CONTROLS

The City Treasurer has developed a system of internal investment controls and a segregation of responsibilities of investment functions, in order to assure an adequate system of internal controls over the investment function. The controls are designed to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City of Scotts Valley. Controls deemed most important include: clear delegation of authority to subordinate staff members, separation of transaction authority from accounting and recordkeeping, supervisory control of employee actions, written confirmation of all transactions, minimizing the number of authorized investment officials, documentation of transactions and strategies, custodial safekeeping, avoidance of bearer-form securities, specific limitations regarding securities losses and remedial actions, proper review and approval of brokerage accounts and investment transactions, and control of collusion.

M. INVESTMENT REPORTS

1. The City Treasurer may annually render a Statement of Investment Policy to the City Council for their approval at a public meeting per California Government Code section 53646(a).

2. The City Treasurer may render to the City Manager and City Council a quarterly report within 45 days after the end of the quarter. Included in these types of reports are type of investment, issuer, date of maturity, face value, cost of security, current market value (and source of valuation), yield, citation of compliance with the investment policy (or explanation), and a statement of the City's ability to meet expenditure requirements for the next 6 months.

N. INVESTMENT AUDITS

Annually, there shall be both internal and external audits of the City's Investment Program to assure compliance with the Investment Policy, Investment Guidelines, and Investment Controls.

O. INVESTMENT PERFORMANCE EVALUATION

Annually, the City Council, at the time that the Investment policy is brought to the City Council, shall review and evaluate the investment program and update the Statement of Investment Policy. The City Manager shall review the Investment guidelines semi-annually.

P. RATING OF SECURITIES

Only securities which meet the ratings specified above may be purchased. If the rating of a security which the City owns is downgraded below these rating standards, the Treasurer shall determine whether to retain or liquidate the security, based upon the new rating, the reason for the re-rating, the maturity date, the amount, and the market value of the security.

Q. INVESTMENT GUIDELINES

1. Cash Availability Guidelines

a. Cash flow analysis is developed which serves as a basis for determining the cash available for investment and maturity dates needed to cover future disbursements.

b. A close rapport is maintained with all departments having a significant impact on cash flow to ensure receipt of timely and accurate data.

c. Where practical, revenue receipts are consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to fund cash and investment balances.

d. Active bank balances are kept as low as possible without jeopardizing good banking relationships by maintaining investment of available cash as near to 100% as possible.

c. Bank balances are obtained weekly to assure accurate and detailed information.

d. Sufficient funds are maintained in very liquid investments to meet most unexpected contingencies.

2. Investing Guidelines

a. A close working relationship is maintained with a list of well-established brokers, dealer/brokers, and bankers whose proven technical knowledge and expertise is of assistance in making investment decisions.

b. Economic data, forecasts, and conditions are continuously obtained from financial experts in the field and evaluated as to impact on investment decisions.

c. Business journals are routinely reviewed and education programs are attended to enhance knowledge and professional skills required to manage an investment portfolio.

d. Only investments authorized by the Investment Policy are transacted. Investments are made with qualifying institutions based only on competitiveness of interest rates offered.

e. Purchases of investments are made with the intent of holding the investments to maturity. If, under favorable market conditions, investments of similar maturities can be swapped or traded and portfolio performance can be improved without compromising safety, the trades may be transacted.

f. Individuals authorized by delegation to assist the City Treasurer and City Manager in conducting transactions are limited to purchases of 90 days maturity or less, and are limited to transactions of no more than $100,000 in size, unless specifically otherwise authorized under unusual circumstances.

3. **Guidelines for Broker/Dealer and Banker Relationships**

a. A list of approved brokers, broker/dealers, banks, and savings and loans is reviewed monthly based upon the following:

(1) Being authorized under California Government Code section 53635.5 to transact investments with local agencies.

(2) Receipt of positive audited financial statements.

(3) Being in business for a minimum of three years.

b. The City Treasurer reviews and acts on requests to be on the approved list and accompanying financial statements.

c. There is a formal filing system of the required information for those on the approved list, which provides for an annual report of updated financial information.

e. There is a timely transaction monitoring system to ensure that all documents and confirmation are received and are correct.

f. Transactions are monitored monthly to assure that there are no undue concentrations of investments with any single firm.

GLOSSARY OF INVESTMENT SECURITIES

a. **Obligations of the U.S. Treasury** - Debt obligations backed by the full faith and credit of the U.S. Government. They are issued with initial maturities from three months to 30 years.

b. **Agency Obligations** - Obligations guaranteed by the full faith and credit of agencies and instrumentalities of the U.S. Government, such as FNMA, FFCB, FHLB, and GNMA.

c. **Negotiable Certificates of Deposits** - A bank deposit issued in negotiable form (i.e., one that can be bought or sold in the open market).

d. **Banker's Acceptance** - A draft that is drawn and accepted by banks. Because the accepting institution is obligated to pay the draft without regard to whether it is paid or not, banker acceptances are considered to be high quality money market instruments.

e. **Commercial Paper** - Unsecured promissory notes issued by corporations to fund short term cash requirements.

f. **Repurchase Agreement** - An agreement in which an investor buys securities from a contra-party with the provision that the buyer must sell the securities back to the contra-party at a specific date at a pre-agreed upon price. The repurchase amount is expressed as principal plus interest at an agreed upon rate.

g. **Corporate Medium Term Note** - An obligation of a corporation issued with an initial term of maturity of nine months to 15 years.

h. **Mortgage Pass Through Certificates** - Bonds backed by an undivided interest in a pool of mortgages or trust deeds. Income and principal from the underlying mortgages is used to pay off the securities.

i. **Money Market Mutual Funds** - Mutual funds which invest in short term securities and strive to maintain a share price of $1.

j. **Local Agency Investment Fund (LAIF)** - An investment pool managed by the California State Treasurer's Office to provide safe, low cost, and highly liquid investment alternative for California's local governmental agencies.

k. **Joint Powers Authority Pool (JPAP)** - Joint powers authorities in which local agencies may invest in the securities and obligations authorized in Section 53601, subdivisions (a) to (q) where each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

l. **Demand Deposits** - A deposit of monies where the monies are payable by the bank upon demand of the depositor.

PERMITTED INVESTMENTS AND LIMITATIONS ON INVESTMENT

Investment Type	Percent of Portfolio	Maximum Life	Other Requirements
a. US Treasury	No Limit	5 Years	No Strips
b. Agencies of US Government	No Limit	5 Years	
c. Certificates of Deposit	30%	5 Years	Rated A1/P1
d. Banker's Acceptances	40%	180 Days	Rated A1/P1
e. Commercial Paper	15% (30% if weighted dollar)	270 Days (Average <31 days)	Rated A1/Pa US Corporations Assets >$500 M LTD Rated A
f. Repurchase Agreements	15%	30 Days	Collateralized Market >102%
g. Corporate Medium Term Notes	30%	5 Years	Rated A
h. Mortgage Pass-Through	15%	5 Years	US Government Only
i. Money Market Mutual Funds	15%	N/A	Assets >$250M Invests only in a-h above. Highest rating possible. Registered Advisor
j. LAIF	LAIF Limit	N/A	
k. JPAP	No Limit	N/A	Rated AAf/S-1+ CalTrust Rated AAAm CAMP
k. Demand Deposits	No Limit	N/A	FDIC or collateralized

APPROVED AS TO FORM:

_____
Kirsten Powell, City Attorney

AGENDA ITEM 5.
DATE: 6/4/2025

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Stephanie Hill, Administrative Services Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Adopt and approve annual budget items, including the Fiscal Year 2025-26 Budget**

SUMMARY OF ISSUE

Adoption of the Fiscal Year 2025-26 Annual Budget
The FY 2025-26 Final Proposed Budget is attached for City Council consideration. This budget includes a long-range financial forecast with a detailed focus on the City's General Fund, the primary funding source for City operations. It reflects Council priorities such as exploring new revenue sources, investing in service enhancements, and advancing development efforts, particularly for the Town Center.

The budget has been developed using the OpenGov platform, which enables residents, elected officials, and stakeholders to explore the City's budgets online. The platform provides real-time access to the budget and interactively displays current and historical revenues and expenditures by fund, department, and object level. This tool supports the City's ongoing commitment to transparency in local government.

The budget highlights the need for continued fiscal planning. While voter-adopted Measure Z has brought much-needed stability, further revenue measures may be required to sustain service levels. Sales tax revenue is expected to remain flat amid economic uncertainty. Implementation of voter-adopted Measure X (business license modernization) will be closely monitored, with an update planned for the FY 2025-26 Mid-Year Review in December 2025.

The City is presenting a structurally balanced operating budget.
Key Highlights:

- **General Government Revenue:** $24.1 million
- **Operating Expenses:** $22.7 million
- **Capital Projects:** $6.7 million
- **Wastewater Enterprise Revenue/Expenses:** $6.8 million
    - Includes $2.3 million in capital that may require debt financing if all projects move forward in the same fiscal year.
- **Transfers:** $7.1 million (primarily from Special Revenue to Capital Projects)
- **Projected General Fund Ending Balance:** $2.5 million, or 11% of operating

expenditures — below the minimum reserve level
- **Pending FHWA Reimbursement:** $2.2 million from FY 2022-23 storm damage, expected end of calendar year 2026

The FY 2025-26 Budget was reviewed in detail by the City Council at the May 21, 2025 meeting. The original budget presentation did not include the Community Grant Program funding. Council directed a change to include $50,000 for the Community Grant Program, similar to the prior year. Applications for the program will be on a temporary hold while the City reviews current fiscal year results and revenue projections.

The full Online Budget Book will be accessible through the City's website shortly after the budget is adopted.

Classification and Salary Schedules
As part of the current employee agreements, the Council previously adopted the FY 2024-25 through FY 2026-27 Classification and Salary Schedules. These schedules are incorporated into the proposed budget. Any future adjustments will be brought to Council for approval as needed.

Transfers
Transfers represent the internal movement of funds between different City accounts. They help ensure balanced funding, support specific priorities such as capital projects or debt repayment, and do not constitute direct expenditures. Including these in the budget enhances transparency and supports strategic financial management.

Long-Range Financial Planning
The FY 2025-26 Proposed Budget includes a 10-year long-range forecast, which, despite showing improvement, continues to project a structural deficit. The City is taking steps to address this challenge in alignment with its Guiding Budget Principles.

Planned Actions to Address the Structural Deficit:

1. Present forecast results from the Measure X business license tax implementation at or before the FY 2025-26 Mid-Year Review.
2. Continue analysis of a Transient Occupancy Tax (TOT) adjustment for potential placement on the 2026 election ballot. (Scotts Valley's TOT is currently 11%, while other jurisdictions in Santa Cruz County are at 12%.)
3. Delayed one proposed full-time equivalent (FTE) position in FY 2025-26. The current model includes one new FTE annually over the next three years (3 total). These will be reassessed during each annual budget cycle.
    - Note: Eliminating all future FTEs would technically resolve the deficit by 2033 but would likely impair service delivery and is not recommended as a sole strategy.

City-wide Fund Review
In support of financial transparency and compliance, staff conducted a comprehensive review of all City funds. The review evaluated the necessity, categorization, and intended use of each fund.

High-Level Fund Changes:

- Close inactive funds with minimal balances and transfer remaining amounts to similar-purpose funds.
- Establish new funds for specific or legally required tracking purposes.
- Consolidate recreation-related funds under the General Fund.
- Create a revised fund matrix confirming active funds, categories, uses, and interest-earning activity.

These changes will become effective in FY 2024-25. A resolution and matrix outlining the changes are attached. Future changes will follow this same formal review and approval process.

Annual Adoption of the Utility Users Tax
In accordance with Ordinance No. 109.3 (SVMC §3.35.180), the City Council must annually authorize the continued collection of the Utility Users Tax on gas and electric service providers serving properties in Scotts Valley. The FY 2025-26 Proposed Budget assumes continued collection of this tax to support essential services.

FISCAL IMPACT

The FY 2025-26 Proposed Budget anticipates total revenues of $30.9 million and expenditures of $36.2 million, which includes $8.9 million in capital improvement projects. Fund transfers totaling $7.1 million support a structurally balanced operating budget, even as the City makes strategic capital investments.

STAFF RECOMMENDATION

It is recommended the City Council adopt the following resolutions:

1. Resolution No. 630.45 approving the FY 2025-26 Annual Budget and making related appropriations.
2. Resolution No. 2062 approving the Fund Structure.
3. Resolution No. 1501.32 approving the continued collection of the Utility Users Tax for FY 2025-26.

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1. Resolution No. 630.45 Approving FY 2025-26 Annual Budget
2. Exhibit A FY2526 Budget Package
3. Resolution No. 2062 Fund Review
4. Exhibit B Fund Matrix Summary
5. Resolution No. 1501.32 UUT FY2526

RESOLUTION NO. 630.45

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CITY'S ANNUAL BUDGET FOR FISCAL YEAR 2025-26 AND MAKING APPROPRIATIONS FOR THE AMOUNTS BUDGETED

WHEREAS, the City Manager is responsible for preparing and submitting a City budget for the operation and improvements of the community for City Council approval; and

WHEREAS, the City Council has reviewed and evaluated the proposed budget submitted by the City Manager; and

WHEREAS, the community has had an opportunity to review and make additional suggestions regarding the proposed annual budget to the City Council.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED as follows:

1. The City of Scotts Valley's FY 2025-26 Annual Budget for the fiscal year ending June 30, 2025 is hereby approved as set forth in the attached Exhibit A and incorporated herein.

2. The City Manager is hereby delegated responsibility for the administration of the budget and is authorized to transfer appropriations as necessary between departments, except that any transfers between funds must be approved by the City Council.

3. The City Manager is authorized to establish encumbrances from unexpended budget appropriations for operating and/or capital expenditures from the prior and current fiscal year, and shall not certify any encumbrance nor execute any payment in excess of approved department budget appropriations.

4. The City Manager or designee is hereby authorized to establish an operating reserve to accumulate receipts in excess of the estimated revenues as set forth in the budget document. Said reserve is established for the purpose of funding the budget of subsequent years and the receipts in this reserve are hereby appropriated for said purpose.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a special meeting held on the 4th day of June 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

FY 2025-26

City of Scotts Valley Annual Budget

FY 2025–26 BUDGET

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Transfer Activity 13

FY 2025-26 BUDGET SCOTTS VALLEY, CA

BUDGET HIGHLIGHTS

- Overall revenue of $30.9 million is included with $15.2 million of that revenue generated from taxes, including Measure Z.
- The budget includes $27.2 million in operating expenditures and an ambitious $8.9 million in capital projects for a total budget of $36.2 million.
- The Economic Development budget continues to focus on investments to prepare the Town Center for development.
- Investing in staff has paid off as the City was fully staffed in 2024 and continues to have very low vacancy rates.
- The City's $8.9 million CIP focuses on completing $7.7 million on 17 major capital projects including roadway improvements and critical wastewater treatment plant infrastructure upgrades per Council directed goals. The remaining $1.3 million is for 19 smaller capital outlay projects that are fully funded by Special Revenue sources.
- The General Fund is expected to draw down reserves totaling $1 million in FY 2026 as expenses outpace revenues to provide core services and deliver capital improvement projects leaving a projected ending fund balance of $2.5 million or 11% of operating expenses.

CITY COUNCIL BIANNUAL STRATEGIC GOALS 2025-2027

- Maximize citywide high performance through efficient use of resources, proactive revenue development, adaptability, and strategic thinking across all operational areas.
- Promote safety across the City through improving road conditions, including safe routes for cyclists and pedestrians, preparing for and preventing wildfire impacts, and continuing proactive, community-based policing.
- Support a thriving city through economic development, diverse and affordable housing, recreation programs, (protecting and) promoting the City's brand and supporting community building events.
- Improve City facilities to meet the needs of a modern workforce and community services.
- Invest in and continue planning the City's Town Center

The City's budget is done through the OpenGov online platform to allow for online access to the budget, interactive displays, current and historical revenue and expenses down to the fund, department and object level. This financial transparency platform has been deployed as a resource for stakeholders as part of the City's ongoing initiative to promote and enhance public transparency in local government. Shortly after the Council adopts the budget, this platform will go live with the FY 2025-26 budget.

City Manager Budget Message

May 29, 2025

Honorable Mayor and Members of the City Council:

With appreciation for the tremendous collective effort dedicated to its development, the FY 2025-26 City of Scotts Valley Preliminary Budget is presented to the City Council for your consideration. The last year brought continued economic uncertainty with regard to inflation, interest rates, new tariffs, and shifting economic policies at the federal and state level. The Scotts Valley economy remained relatively stable, with sales tax flat and modest growth in hotel taxes as tourism on the California coast exceeded pre-pandemic levels, particularly in Santa Cruz County. The City's economic outlook remains cautious, with sales tax projections remaining flat into the next year. The State budget shortfall will impact the City's opportunities to leverage grant funding and delays in federal reimbursements for emergency work done to repair roads after the 2023 winter storms will impinge the City's cashflow for this budget year.

Despite the challenges and economic uncertainty, our City has been rebuilding, thanks to the passage of Measure Z, the City's 1.25% sales and use tax, in March 2020. In the current year, Measure Z accounted for $4.3 million of the City's revenue, which was $300 thousand less than the original budget projected. It allowed us to hire key staff across the City, particularly in the Police Department, which is now 100% staffed. In the Preliminary Budget for FY 2025-26, Measure Z revenue is expected to remain flat. Sales tax is a key revenue source that will continue to be monitored as results come in, and future trends are reported in the markets.

In addition, Measure X was overwhelmingly passed by the voters in November 2024 to modernize the City's business license tax program. Measure X will move the City away from an employee-based tax rate to a gross receipts-based rate. In year 1 (FY 2025-26) businesses will only pay 50% of any increase in tax owed, limiting Measure X's impact on this year's budget to $300 thousand. A complementary compliance effort is underway to identify businesses operating without a business license, to ensure all businesses are paying their fair share.

Our efforts to rebuild the City's infrastructure and organizational capacity were mostly successful this year. The City's technology is now managed by a five-year equipment replacement plan, ensuring cyber security and technological efficiencies to enhance our workforce performance. With full staffing in our Public Works Engineering Division, we completed 11 capital projects this year and have another 24 active projects with 7 of those expected to be completed next year. This demonstrates success in addressing the backlog of capital projects that plagued the City during and following, the pandemic years.

Fiscal Year 2025-2026 Budget

$30.9 Million Revenue

- $4.3 Million Measure Z
- $300,000 Measure X

$36.1 Million Expenses

- $25.9 Million Operating Expenses
- $9 Million Capital Projects

Labor Force

- 65 Staff
- 3.5% Vacancy Rate

Planned Use of Reserves

$1 Million General Fund

$4.2 Million Other Funds

In the calendar year 2024, we hired 13 new employees. Our staffing situation has stabilized across most departments, but with over 50% of our staff with a tenure of less than 3 years, the City's workforce is traversing a steep learning curve. Our success in hiring and retaining staff has resulted in the City's vacancy rate being at its lowest level since before the COVID pandemic, at 3.5%. In December 2024, the City was fully staffed across all departments for the first time in recent memory.

The Council established the following priorities for the coming two fiscal years:

1. *Maximize citywide high performance through efficient use of resources, proactive revenue development, adaptability, and strategic thinking across all operational areas.*
2. *Promote safety across the City through improving road conditions including safe routes for cyclists and pedestrians, preparing for and preventing wildfire impacts, and continuing proactive, community-based policing.*
3. *Support a thriving city through economic development, diverse and affordable housing, recreation programs, (protecting and) promoting the City's brand and supporting community building events.*
4. *Improve City facilities to meet the needs of a modern workforce and community services.*
5. *Invest in and continue planning the City's Town Center.*

These goals have been used to inform the proposed budget and will be supported by strategies and tactics developed by staff.

Budget Overview

The proposed FY 2025-26 annual budget includes cautious revenue assumptions as the City and the region continue to face high inflation and economic uncertainty. Overall revenue of $30.9 million is included with $15 million of that revenue generated from taxes, including Measure Z. The budget includes $25.9 million in operating expenditures and an ambitious $9 million in capital projects for a total budget of $36.1 million.

This budget includes a planned use of fund balance of $1 million from the General Fund, and an additional $4.2 million from other funds, which includes funding for capital projects and supplementing recreation programs. In all likelihood, we will not complete every project on the CIP or maintain full staffing, resulting in budget savings as we progress through the year, as has been the trend for the last 2 years.

Highlights from the proposed FY 2025-26 budget are as follows:

- The City's general fund balance is projected to drop below minimum reserve levels by the end of FY2025-26 due to sluggish revenue, increased labor expenses and predicted delay in federal emergency fund reimbursement.

- In alignment with the City's budget policies, this budget relies heavily on special revenue and other fund utilization to protect the general fund balance. A thorough review of these funds and their allowable expenses, along with force accounting and restructuring our CIP and capital outlay programs has resulted in no general fund transfer to the CIP fund this year, and more departmental expenses being charged to other funds. This is shown in an increase in transfer activity.

- Measure X, modernizing the City's Business License Tax program, will modestly help in FY2025-26, however its full impact won't be understood until the mid-year budget review, after the first year of renewals are processed.

- Increases in labor costs as agreed in the current 3-year labor contracts reflect fair market compensation packages for all city staff. The largest increase is in the Police Department. Certain programs and personnel have been restructured to improve organizational efficiency. Vacancies will be reviewed and assessed throughout the year for efficiency and necessity before refilling.

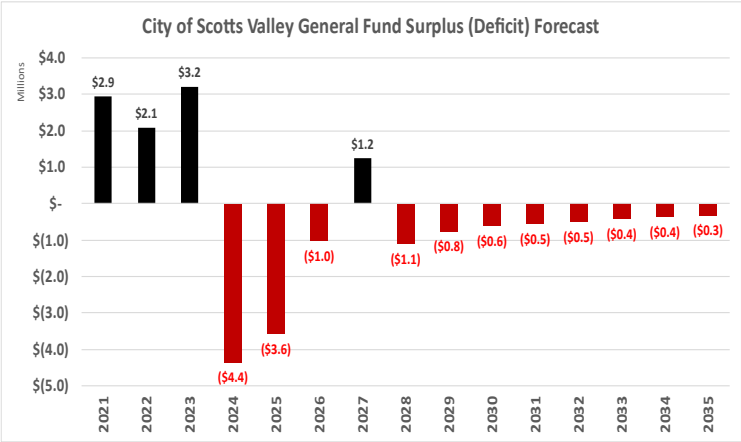
- The cost of the School Resources Officer continues to rely entirely on the City's General Fund.

- $50,000 in General Fund was allocated for the City's Community Grant Program but with applications being placed on temporary hold, and $5,000 was discontinued as a contribution to the County's Housing for Health program. Support for these programs will be reassessed at the mid-year budget review, depending on updated revenue projections at that time.

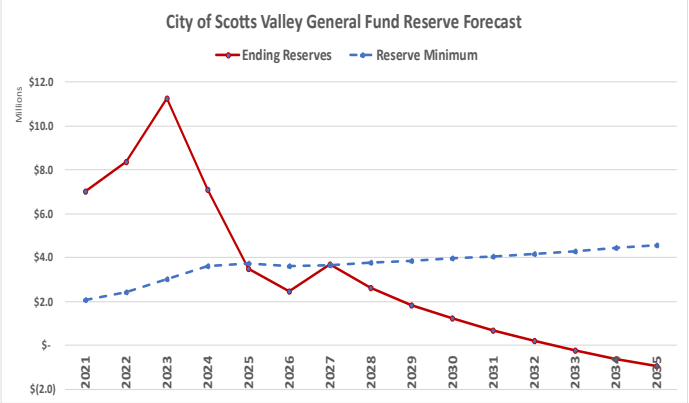
- The Economic Development budget focuses on investments to prepare the Town Center for development.

- The City's CIP focuses on completing 7 projects including the Skypark big kids' playground, roadway improvements and critical wastewater treatment plant infrastructure upgrades per Council directed goals.

Fiscal Reserves and Long-Range Forecast



The City Council establishes target reserve policies for its operating and capital funds. Nonetheless, the General Fund is expected to draw down reserves totaling $1 million in FY 2025-26 as expenses outpace revenues to provide core services and deliver capital improvement projects leaving a projected ending fund balance of $2.5 million or 11% of operating expenses. This is below the established target minimum reserve of 17%. Fund balance is expected to return to the reserve target in FY 2026-27 upon Federal reimbursement of $2.2 million of emergency road repair expenses. The City's long-range forecast, updated with Measure X projected revenue added, predicts a smaller structural budget deficit than prior forecasts. However, revenues are projected to trail expenses by $500,000 - $1 million per year which will deplete reserves if additional action is not taken.

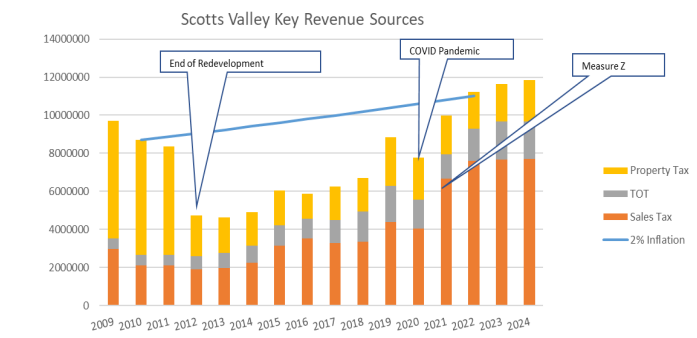


The 2021-2023 surplus represents one time funding from ARPA coupled with depleted staffing levels and virtually no capital project activity. In 2024, the Council established the Section 115 Pension Trust Fund with an initial deposit of $2 million. Across 2024-2025, $2.2 million of emergency road repair expenses were incurred and are not expected to be reimbursed by the Federal government until 2027.

To understand the City's long-range forecast, it is important to understand the City's past. The chart below shows the City's key tax revenue sources from 2009 to present.

The loss of redevelopment revenue was not addressed for almost a decade, leaving the City in a dire financial situation until Measure Z was adopted in 2020. Compared to 2% inflation, the cumulative loss over that period is over $30 million.

Property taxes still only provide $2.1M per year, or 8% of the City's overall governmental revenue, while Measure Z provides $4.3M or 18%.



Compared to 2% inflation, the cumulative budget gap from 2010 - 2022 is $33.7M

A decade of deferred maintenance on the City's streets, parks and buildings has left the City in a difficult and costly game of catch up. The City will need additional revenue sources if it is going to be able to meet the expectations of the community in the areas of street conditions, park amenities, recreation programming, and modernization of our facilities.

To help us understand the extent of these needs, Public Works has completed several assessments including: the Citywide Parks Master Plan, Pavement Condition Assessment and a Facility Conditions Assessment. In this coming year, we have prioritized completion of two additional plans: a Wastewater Master Plan and Skypark Facility Master Plan to ensure resources are planned efficiently for the next decade or more. The resulting needs identified in these planning efforts will need to be accounted for in the long-term forecast and future CIP.

I would be remiss to not dedicate a portion of this summary to the Town Center. Over the last three years, the City has made incredible progress toward making the Town Center a reality and FY 2025-26 will be the year it all comes together, cumulating with a development agreement with a to-be-determined private development partner, based on the City's updated vision. The City has invested wisely to remove the prior barriers to development and in FY 2024-25 purchased the final 8 acres of land needed to assemble the Town Center core land. With market forces on our side, in the near future we will see the Town Center constructed!

In Closing

Scotts Valley is not alone in facing financial challenges, however our challenges are unique due to our low property tax rate. The City is on a path of modernization and renewal to bring back our streets, parks and services to a level that our staff and community can be proud of. I believe the team at the City is up to this task, but the community will need to continue to fund this important work for current and future generations.

Thank you to the City Council for your ongoing support and commitment to the Scotts Valley community. Thank you to Mayor Timm and Vice Mayor Timms, as the budget subcommittee, for your guidance and feedback as we prepared this budget; and a huge thank you to the finance team and executive team for your incredibly hard work to help move our City forward.

Mali LaGoe, City Manager

Long-Range Financial Forecast

The City prepares a long-range financial forecast for funds to guide policy decisions, assess sustainability, and anticipate fiscal challenges. These forecasts are not intended to predict exact outcomes, but to serve as strategic planning tools that help the City Council and community understand long-term financial trends, particularly in areas such as capital improvement funding, service level maintenance, and the identification of potential funding gaps. The General Fund forecast includes:

- A current snapshot of fund balance reserves
- Revenue projections based on existing revenue sources and trends
- An expenditure plan aligned with current service levels and building in future needs
- Additional funding for capital improvement projects and subsidizing recreation activities

General Fund Overview

The General Fund is the focus of the forecast, as it accounts for most of the City's expenditures. The charts below illustrate the projected General Fund Available Balance through FY 2034–35. Projections incorporate the latest data, including FY 2025–26 budgeted activities, and reflect the City's reserve target of 17% of operating expenditures.

- For FY 2025–26, the projected ending fund balance is $2.5 million, or 11%, which falls below the target reserve level.
- A pending $2.2 million federal reimbursement for storm-related damage (FY 2022–23) is anticipated in calendar year 2026 and is reflected in the FY 2026–27 projection.
- Without changes to revenue or expenditures, the fund balance is projected to be fully depleted by FY 2031–32.

While there are measures available to maintain the General Fund, the projection signals a need for proactive planning to address the structural deficit and protect the City's fiscal health.

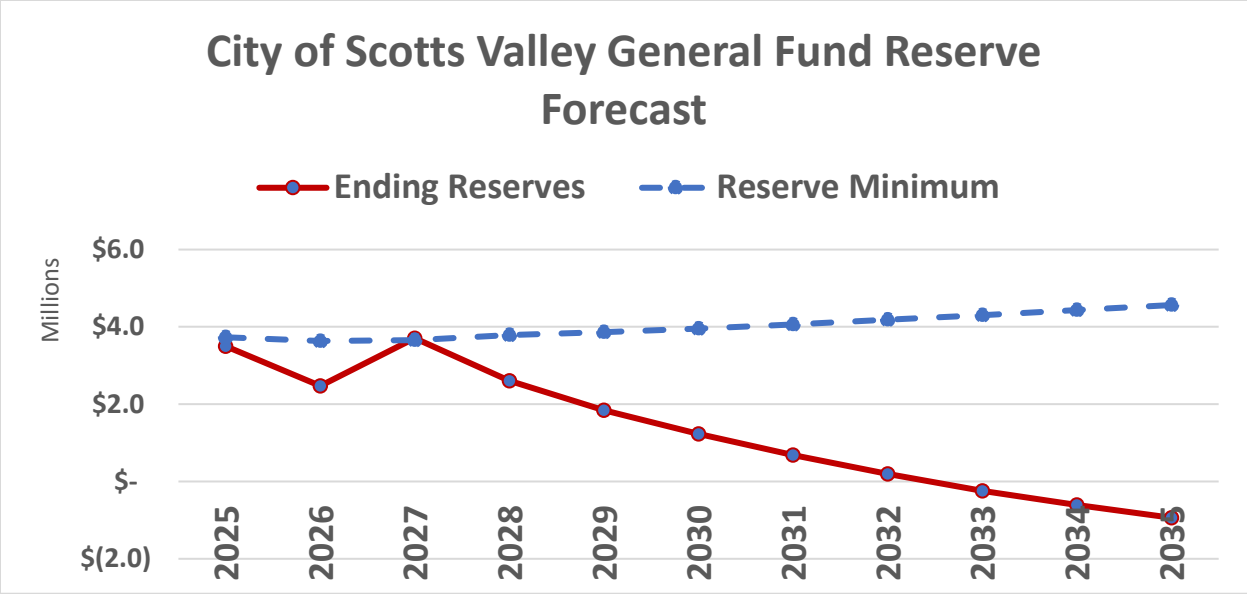
Key Forecast Assumptions

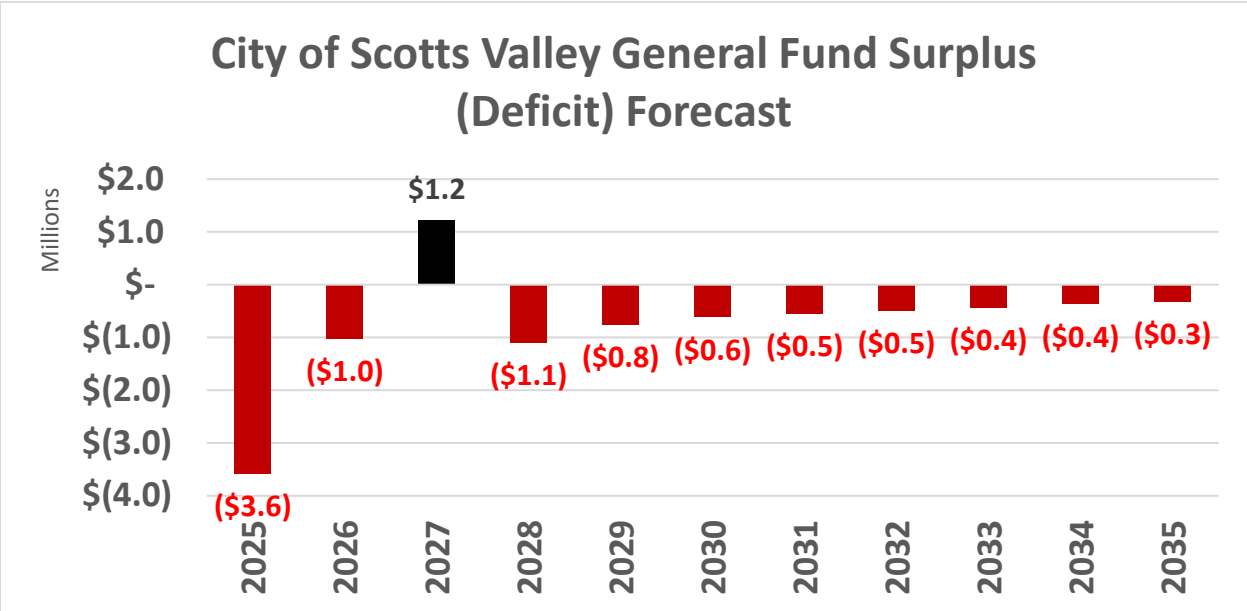
The long-range forecast is built on multiple financial variables:

- Steady growth in core revenues
- Rising costs for service delivery and long-term liabilities
- Minimal economic downturn impacts
- It does not include potential future revenue sources unless they are formally approved or more clearly defined.

Measure Z, the local 1.25% sales tax approved in 2020, is expected to generate $4.3 million in FY 2025–26, with modest growth assumed in subsequent years. While it is currently scheduled to expire after FY 2031–32, the forecast assumes continuation of this funding.

In 2023, the City allocated $2 million to a pension trust to generate interest and help offset future pension obligations. While only interest earnings are currently factored into the forecast, these funds remain accessible for General Fund pension costs if needed.





Fiscal Outlook and Next Steps

The forecast reflects gradual movement toward long-term financial sustainability; however, a structural deficit remains under the current assumptions. Consistent with the City's Guiding Budget Principles, any ongoing financial gap must be addressed through clearly defined and actionable decisions. The City will continue to monitor tax revenues closely, including the Measure X business license tax passed in November 2024. In parallel, City staff and financial consultants are actively evaluating strategies to enhance revenue and control costs. The long-range financial forecast will remain a living document, with formal updates and reassessments beginning with the FY 2025–26 Mid-Year Review to ensure the City remains on a path toward fiscal resilience.

City of Scotts Valley
Summary of Financial Resources and Requirements
FY 2025-26

Fund	Description	Projected Beginning Fund Balance 07/01/2025	Estimated Revenues FY26	Transfers In	Estimated Total Funds Available	Proposed Budget Expenditures FY26	Transfers Out	Projected Ending Fund Balance 06/30/2026
General Funds								
1	General Fund	2,550,293	19,686,976	627,750	22,865,019	20,540,783	623,585	1,700,651
6	Equipment Replacement Reserve	1,003,154	38,000		1,041,154		267,250	773,904
	Recreation Funds (4, 28, 123)	0	348,400	681,085	1,029,485	971,985	57,500	0
Subtotal General Funds		**3,553,447**	**20,073,376**	**1,308,835**	**24,935,658**	**21,512,768**	**948,335**	**2,474,555**
Capital Improvement Projects								
150	Major Capital Projects	664,627	750,000	4,423,000	5,837,627	5,755,000		82,627
151	Capital Outlay Projects	-	-	973,800	973,800	973,800		-
Subtotal Capital Improvement Projects		**664,627**	**750,000**	**5,396,800**	**6,811,427**	**6,728,800**	**-**	**82,627**
Special Revenue Funds - Development Impact Fees								
7	Drainage Construction Impact Fees	116,765	10,000		126,765			126,765
8	Traffic Impact Mitigation Fees	960,673	60,000		1,020,673			1,020,673
9	Park & Recreation Facilities Impact Fees	1,872,364	90,000		1,962,364		500,000	1,462,364
21	General Facility Impact Fees	2,503	2,500		5,003			5,003
27	Police Facility Building Impact Fees	382,709	20,000		402,709			402,709
86	Library Impact Fees	195,329	11,000		206,329			206,329
Subtotal Special Revenue Funds - Development I		**3,530,343**	**193,500**	**-**	**3,723,843**	**-**	**500,000**	**3,223,843**
Special Revenue Funds - Other								
2	Recycling/Environment	369,293	260,000		629,293	255,000	145,000	229,293
3	Gas Tax (HUTA)	1,135,987	361,685		1,497,672		1,222,000	275,672
5	SMIP Fees	(0)	4,000		4,000	4,000		(0)
19	Affordable Housing	3,905,760	151,120		4,056,880	805,000		3,251,880
24	Lennar Funds	514,450	-		514,450		441,300	73,150
31	STP Exchange Projects (RSTPX)	-	1,023,000		1,023,000		1,023,000	-
33	Tree Replacement	56,016	4,000		60,016			60,016
35	Green Building Funding	659,350	30,000		689,350	55,538		633,812
36	Disability Compliance	26,624	5,000		31,624	5,000		26,624
50	Pinewood Estates Maint. Dist.	0	6,000		6,000	6,000		0
51	Mt. Hermon Traffic Mitigation	12,268	-		12,268			12,268
77	Skypark Landscape Maint. Dist.	(0)	41,750		41,750	41,750		(0)
78	Skypark Landscape Maint. Dist. Insurance	562,622	20,000		582,622			582,622
88	Library Improvements (Measure S)	-	30,000		30,000		30,000	-
89	Library - Cty MOE Excess Distribution	486,513	15,000	30,000	531,513			531,513
115	Section 115 Set Aside - Pension	2,162,866	100,000		2,262,866			2,262,866
155	Measure D Sales Tax for Transportation	1,033,507	373,000		1,406,507		975,000	431,507
156	SB-1 (RMRA)	1,128,493	316,652		1,445,145		803,000	642,145
200	Quimby Act	197,052	7,000		204,052			204,052
201	Measure Q	-	200,000		200,000		200,000	-
306	Supplemental Law Enforcement Services	109,691	103,000		212,691		148,000	64,691
313	Youth Based Programs	55,152	5,000		60,152	5,000		55,152
317	EDG Revolving Loan	407,487	15,000		422,487			422,487
Subtotal Special Revenue Funds - Other		**12,823,133**	**3,071,207**	**30,000**	**15,924,340**	**1,177,288**	**4,987,300**	**9,759,752**
Debt Service Funds								
66	COP Debt Service Reserve	1,114,878			1,114,878		300,000	814,878
Subtotal Debt Service Funds		**1,114,878**	**-**	**-**	**1,114,878**	**-**	**300,000**	**814,878**
Total Governmental Funds		**21,686,428**	**24,088,083**	**6,735,635**	**52,510,146**	**29,418,856**	**6,735,635**	**16,355,655**
Wastewater Enterprise Funds *(funds are presented with working capital (current assets, less current liabilities)*								
10	Wastewater Operations	2,263,419	4,771,000		7,034,419	3,838,459	361,368	2,834,592
11	Tertiary Operating	-	272,000	361,368	633,368	633,368		-
12	Waterwater Treatment Facility Fee (DIF)	395,522	45,000		440,522			440,522
14	Wastewater Capital Replacement Fund	(1,182,309)	1,750,000	-	567,691	2,278,188		(1,710,497)
Subtotal Wastewater Enterprise Funds		**1,476,632**	**6,838,000**	**361,368**	**8,676,000**	**6,750,015**	**361,368**	**1,564,617**
Total All Funds		**23,163,059**	**30,926,083**	**7,097,003**	**61,186,145**	**36,168,871**	**7,097,003**	**17,920,271**
			38,023,086	*Total revenues with transfers*		*43,265,874*	*Total expenses with transfers*	

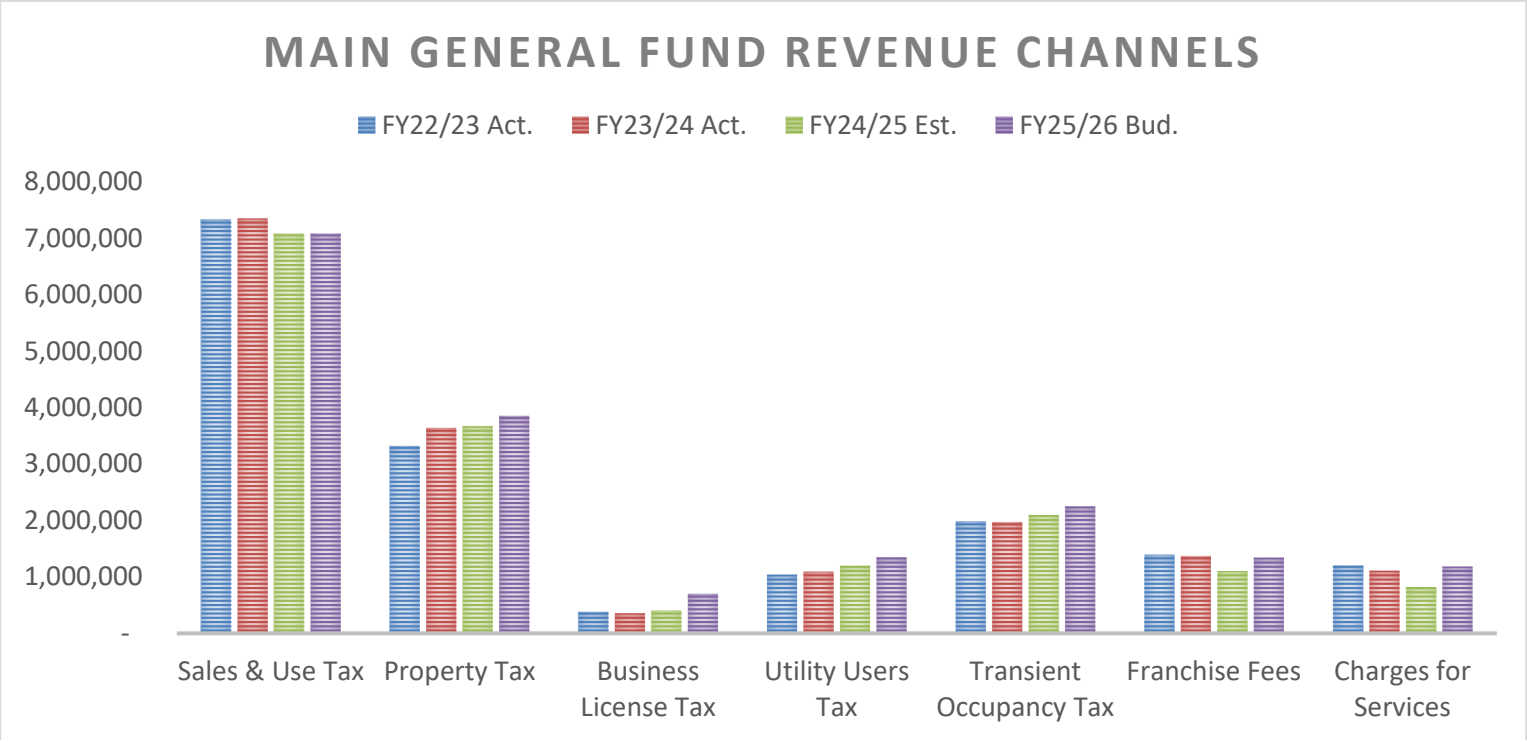
DEPARTMENT EXPENSE DETAILS	FY2024 ACTUALS	FY2025 AMENDED BUDGET	FY2026 PROPOSED BUDGET	DIFF TO PY BUDGET
EXPENSES - GENERAL FUND				
LEGISLATIVE				
Salaries & Benefits	225,219	90,562	115,665	25,103
Services & Supplies	38,729	129,903	24,500	(105,403)
LEGISLATIVE TOTAL	**263,948**	**220,465**	**140,165**	**(80,300)**
LEGAL				
Salaries & Benefits	-	-	-	-
Services & Supplies	296,888	305,000	340,500	35,500
LEGAL TOTAL	**296,888**	**305,000**	**340,500**	**35,500**
CITY MANAGER'S OFFICE				
Salaries & Benefits	648,371	749,679	789,900	40,221
Services & Supplies	56,886	581,900	458,050	(123,850)
CITY MANAGER'S OFFICE TOTAL	**705,257**	**1,331,579**	**1,247,950**	**(83,629)**
ADMINISTRATIVE SERVICES				
Salaries & Benefits	1,523,174	1,628,002	1,777,975	149,973
Services & Supplies	2,244,594	2,033,684	2,089,000	55,316
Debt Service	910,731	828,000	789,000	(39,000)
ADMINISTRATION TOTAL	**4,678,499**	**4,489,686**	**4,655,975**	**166,289**
POLICE				
Salaries & Benefits	6,125,896	6,879,422	7,501,191	621,769
Services & Supplies	769,555	813,048	838,600	25,552
POLICE TOTAL	**6,895,450**	**7,692,470**	**8,339,791**	**647,321**
COMMUNITY DEVELOPMENT				
Salaries & Benefits	953,870	1,052,020	1,187,434	135,414
Services & Supplies	655,633	746,000	709,000	(37,000)
COMMUNITY DEVELOPMENT TOTAL	**1,609,503**	**1,798,020**	**1,896,434**	**98,414**
PUBLIC WORKS				
Salaries & Benefits	1,580,293	1,830,427	2,263,028	432,601
Services & Supplies	1,376,011	2,401,800	1,656,940	(744,860)
PUBLIC WORKS TOTAL	**2,956,304**	**4,232,227**	**3,919,968**	**(312,259)**
RECREATION - FUNDS 004, 028, 123				
Salaries & Benefits	473,689	569,597	576,385	6,788
Services & Supplies	459,535	552,961	395,600	(157,361)
RECREATION TOTAL	**933,224**	**1,122,558**	**971,985**	**(150,573)**
GENERAL FUND EXPENSE TOTAL	**18,339,073**	**21,192,005**	**21,512,768**	**320,763**

** excludes transfers*

EXPENSES - WASTE WATER ENTERPRISE FUNDS				
Salaries & Benefits	1,525,384	1,496,889	1,432,011	(64,878)
Services & Supplies	2,201,190	2,342,628	3,053,004	710,376
Capital Project Related	1,284,493	3,004,908	2,265,000	(739,908)
WASTE WATER TOTAL	**5,011,067**	**6,844,425**	**6,750,015**	**(94,410)**

** excludes transfers and depreciation*

	FY2024 ACTUALS	FY2025 AMENDED BUDGET	FY2026 PROPOSED BUDGET	DIFF TO PY BUDGET
REVENUE - GOVERNMENTAL FUNDS				
Debt Service	51,220	45,000	-	(45,000)
Capital Improvements	1,268,029	1,587,578	6,146,800	4,559,222
General Fund	20,251,811	19,894,824	21,382,211	1,487,387
Other Revenue	1,198,759	442,963	-	(442,963)
Special Revenues (DIF)	238,033	241,500	193,500	(48,000)
Special Revenues (Other)	4,584,439	3,743,450	3,101,208	(642,242)
REVENUE TOTAL	**27,592,290**	**25,955,315**	**30,823,719**	**4,868,404**
REVENUE - WASTEWATER ENTERPRISE FUND				
Wastewater	4,616,193	4,498,412	7,199,368	2,700,956
REVENUE - CITY WIDE	**32,208,483**	**30,453,727**	**38,023,087**	**7,569,360**



FY 2025-26 Budgeted Positions

The City's budgeted position summary for Fiscal Year 2025-26 reflects a total of 65.00 Full-Time Equivalent (FTE) positions distributed across key departments to support core municipal operations. The largest allocation of personnel is within the Police Department, which comprises 28.00 FTEs, highlighting the City's ongoing commitment to public safety and emergency response services. Public Works, collectively accounting for 20.50 FTEs between the General Fund and Wastewater operations, plays a vital role in maintaining infrastructure and services, ensuring the City's physical assets and environmental systems are well-managed.

Administrative Services is allocated 8.00 FTEs encompassing the City Manager's Office, Finance and Human Resources, all providing support to internal operations. Community Development is allocated 5.00 FTEs, supporting and guiding growth and planning initiatives. The Recreation Department, with 3.50 FTEs, focuses on enriching the community through recreational programming and public amenities. This staffing plan reflects a balanced approach, aligning personnel resources with strategic priorities and community needs while maintaining fiscal responsibility.

Department	FTE Count
Administrative Services	8.00
Community Development	5.00
Public Works General Fund	12.15
Public Works Wastewater	8.35
Police	28.00
Recreation	3.50
Total FTE FY25/26	**65.00**

FY 2025-26 City-Wide Capital Improvement Project Budget $8,993,800

Major Capital Projects

Priority	Description	Funding Source	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Wastewater							
A	Wastewater Master Plan	WWTP-C	$ 350,000				
A	Clarifier Superstructure & Walkways	WWTP-C	$ 550,000				
B	Effluent Pump Replacement	WWTP-C	$ 275,000	$ 275,000	$ 275,000		
A	Collection System Lift Stations	WWTP-C	$ 200,000	$ 50,000	$ 50,000	$ 50,000	
A	Collection System Pipeline Upgrades	WWTP-C	$ 300,000	$ 300,000	$ 300,000		
A	MBR Upgrade	WWTP-C	$ 250,000				
Wastewater Total			$ 1,925,000	$ 625,000	$ 625,000	$ 50,000	$ -
Transportation							
A	Annual Street Maintenance/Resurfacing	GT/SB1/Meas D	$ 1,500,000	$ 1,000,000		$ 1,000,000	
B	Janis Way Digout, Overlay, Sidewalk, Bike Lanes	Measure D			$ 250,000		
A	Mount Hermon Road Improvements	Measure D/ RTC	$ 723,000				
A	Bean Creek Road Pavement Rehab - Phase 2	Measure D		$ 300,000			
B	Lockwood Lane Street Improvements	Measure D			$ 100,000		
A	Granite Creek Overcrossing	RSTPX/SB-1	$ 200,000	$ 523,000			
B	Scotts Valley Drive - Pedestrian Safety Street Lighting	CIP				$ 300,000	
A	Traffic Signal Upgrade	CIP			$ 250,000		$ 250,000
A	Scotts Valley Drive Corridor Improvements	RTC/SB1/Measure D	$ 1,500,000				
Transportation Total			$ 3,923,000	$ 1,823,000	$ 600,000	$ 1,300,000	$ 250,000
Storm Drains							
A	Storm Drain Trash Capture System	CIP		$ 150,000	$ 200,000		
B	Pinecone Drive Draining Improvements	CIP	$ 25,000	$ 100,000			
A	Scotts Valley Drive - Culvert Repair	CIP	$ 150,000	$ 850,000			
A	Granite Creek - Culvert Repair Design*	CIP	$ 100,000				
A	N. Scotts Valley Drive (S. of Redwood Vista) - Drainage	CIP		$ 30,000	$ 200,000		
B	Hacienda Road Storm Drain Extension	CIP	$ 100,000				
Storm Drains Total			$ 375,000	$ 1,130,000	$ 400,000	$ -	$ -
Parks							
A	Skypark Play Structure Replacement	HUD	$ 757,000				
A	Shugart Park Buildout	Parks DIF	$ 500,000	$ 2,154,863			
Parks Total			$ 1,257,000	$ 2,154,863	$ -	$ -	$ -
General Facilities							
A	Public Works Facility Improvements	CIP	$ 200,000	$ 1,300,000			
General Facilities Total			$ 200,000	$ 1,300,000	$ -	$ -	$ -
Total Major Capital Projects			**$ 7,680,000**	**$ 7,032,863**	**$1,625,000**	**$1,350,000**	**$ 250,000**

** Specific year and funding source not yet identified*

Capital Outlay Projects

Priority	Description	Funding Source	FY 2025-26
Wastewater Enterprise Funds			
B	Generator Transfer Switch and UPS upgrades	WWTP-C	$ 40,000
B	Wastewater Dump Truck	WWTP-C	$ 200,000
B	Breaker Replacement: Thermographic / Neta	WWTP-C	$ 100,000
Wastewater Total			**$ 340,000**
Government Funds			
A	Annual Citywide Street Striping[1]	Gas Tax	$ 100,000
A	IT Network Firewall Replacement	Equip. Replacement	$ 150,000
C	Equipment Trailer	Equip. Replacement	$ 27,500
C	Tractor Implements	Equip. Replacement	$ 25,000
A	Police Patrol Vehicle	Police SLES	$ 80,000
B	5 Electric gate repair/replacements	Equip. Replacement	$ 30,000
C	ADA Improvements - Phase 1	Lennar	$ 116,300
B	Recreation Building Exterior Paint/Siding	Lennar	$ 100,000
B	Parks Lighting Project	Lennar	$ 65,000
B	Basketball Courts Resurfacing Hocus Pocus	Lennar	$ 50,000
B	Tennis Court Lights	Lennar	$ 45,000
B	Community Center Doors	Lennar	$ 35,000
B	Siltanen Retaining Wall	Lennar	$ 30,000
B	Parks Buildings Roofing	Measure Q	$ 50,000
C	Siltanen Gazebo	Measure Q	$ 45,000
B	Glenwood Retain Wall Culvert	Measure Q	$ 25,000
Government Funds Total			**$ 973,800.00**

FY 2025 - 26 Transfer Activity

In municipal budgeting, transfers refer to the movement of funds between different accounts or funds within the City's financial structure. These transfers are used to allocate resources where they are most needed, ensure balanced funding across operations, and support specific purposes such as capital projects, debt repayment, or special projects. Unlike direct expenditures for goods and services, transfers do not represent spending on external vendors but rather reflect internal reallocations of financial resources. By including these transfers in the budget package, the City provides transparency into how it strategically manages and prioritizes financial resources across departments and programs.

Transfer From	Transfer To	Amount	Method	Purpose
2	1	$ 45,000	Actuals	Environmental support
2	1	$ 100,000	Actuals	Environmental support
306	1	$ 68,000	Actuals	Police equipment
201	1	$ 80,000	Actuals	Parks related support
66	1	$ 300,000	Actuals	Debt service smoothing
6	1	$ 34,750	Actuals	Computer replacements
1	4	$ 535,208	Actuals	Recreation supplement
123	4	$ 57,500	Actuals	Recreation supplement
10	11	$ 361,368	Actuals	Tertiary supplement
1	28	$ 88,377	Actuals	Recreation supplement
9	150	$ 500,000	Actuals	Shugart Park
3	150	$ 500,000	Actuals	Annual Street Maintenance
3	150	$ 622,000	Actuals	SV Drive Corridor Improvements
156	150	$ 500,000	Actuals	Annual Street Maintenance
156	150	$ 303,000	Actuals	SV Drive Corridor Improvements
31	150	$ 300,000	Actuals	SV Drive Corridor Improvements
31	150	$ 200,000	Actuals	Granite Creek Overpass
31	150	$ 523,000	Actuals	Mt Hermon Rd Improvements
155	150	$ 500,000	Actuals	Annual Street Maintenance
155	150	$ 275,000	Actuals	SV Drive Corridor Improvements
155	150	$ 200,000	Actuals	Mt Hermon Rd Improvements
306	151	$ 80,000	Actuals	Police vehicle
3	151	$ 100,000	Actuals	Annual Citywide Street Striping
6	151	$ 232,500	Actuals	Equip. Replacement Capital Outlay
24	151	$ 441,300	Actuals	Lennar Funded Capital Outlay
201	151	$ 120,000	Actuals	Measure Q Funded Capital Outlay
88	89	$ 30,000	Actuals	Library repayment
		$ 7,097,003		

Summary of Transfers **From** by Fund

1	$ 623,585
2	$ 145,000
3	$ 1,222,000
6	$ 267,250
9	$ 500,000
10	$ 361,368
24	$ 441,300
31	$ 1,023,000
66	$ 300,000
88	$ 30,000
123	$ 57,500
155	$ 975,000
156	$ 803,000
201	$ 200,000
306	$ 148,000

Summary of Transfers **To** by Fund

1	$ 627,750
4	$ 592,708
11	$ 361,368
28	$ 88,377
89	$ 30,000
150	$ 4,423,000
151	$ 973,800
	$ 7,097,003

RESOLUTION NO. 2062

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY FORMALIZING CITY-WIDE MUNICIPAL FUNDS AND ADOPTING CHANGES RESULTING FROM A COMPREHENSIVE FUND REVIEW

WHEREAS, the City of Scotts Valley maintains a variety of municipal funds, each designated for specific purposes and supported by corresponding revenue sources; and

WHEREAS, the structure, categorization, and usage of these funds have evolved over time; and

WHEREAS, as part of the City's commitment to financial transparency and accountability, staff conducted a comprehensive review of all City funds; and

WHEREAS, the objective of this review was to ensure that all municipal funds are necessary, properly categorized, clearly defined in purpose, and compliant with relevant financial guidelines; and

WHEREAS, the fund review resulted in the following key recommendations:

- Closure of funds no longer in use or with minimal balances, with transfers to similar-purpose funds;
- Creation of new funds for specific or required financial tracking;
- Reclassification of certain recreation-related funds under the General Fund for better alignment and oversight;
- Adoption of a comprehensive fund matrix identifying active funds, categories, uses, and interest-earning activity;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Scotts Valley that the City-wide municipal fund structure, as reflected in the attached Exhibit B, is hereby approved and adopted effective Fiscal Year 2024-25; and

BE IT FURTHER RESOLVED that any future creation, modification, or closure of municipal funds shall follow a similar review and approval process as outlined herein.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a meeting held on the 4th day of June, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: _

_____

Derek Timm,
Mayor

Attest:_____

Cathie Simonovich,
City Clerk

Fund Matrix

The Fund Matrix serves as a comprehensive reference tool that outlines the structure and purpose of each budgeted fund within the City's financial system. It provides essential information including the fund name, a brief description of its function, its classification (such as governmental, proprietary, or fiduciary), the category it falls under, and the primary use or purpose of the fund. This matrix helps readers understand how public resources are organized and managed, ensuring transparency in how different funding sources are allocated, restricted, or applied to specific programs, operations, or capital needs. By clearly identifying the role of each fund, the matrix supports effective decision-making and reinforces the City's commitment to fiscal accountability.

Fund No.	Fund Name	Short Description	Category	Classification	Restricted, Committed, Assigned, Unassigned	Interest Earning
1	General Fund	The General Fund is the City's primary and most flexible funding source, where local tax revenues are deposited. Unlike restricted special revenue funds, the City Council has full discretion over how General Fund dollars are spent.	General Fund	Governmental Fund	All	Yes
4	Recreation	The Recreation Fund supports environmental stewardship and provides safe, inclusive spaces for play, learning, and community building. It includes five parks with athletic fields, play areas, and an off-leash area. Any shortfalls are covered by the other Recreation funds and then by the General Fund.	General Fund	Governmental Fund	Varies	
6	Equipment Replacement Reserve	This fund holds reserve assets to finance the future replacement of capital assets and equipment, such as vehicles or machinery.	General Fund	Governmental Fund	Committed, Assigned	
28	Senior Center Operations	The City operates a Senior Center for the enjoyment of Scotts Valley's seniors, offering a variety of programs and activities and rental of the senior center facility by community members. Program and rental revenues are recorded in the fund to pay for the expenditures associated with the programs and activities offered. Any shortfalls are covered by the other Recreation funds and then by the General Fund. This is a subset of the overal Recreation fund.	General Fund	Governmental Fund	Varies	
123	Commmunity Facility Center Operations	The City operates a Community Center for the enjoyment of the community. The facility is available for rental to the public. Rental revenues are recorded in the fund to pay for the expenditures associated with the operation and maintenance of the Center and any remaining goes towards overall Recreation activities. This is a subset of the overal Recreation fund.	General Fund	Governmental Fund	Assigned	
150	Major Capital Projects	These are large-scale, one-time investments that typically involve significant planning, design, and construction. They often have long useful lives, impact community infrastructure, and exceed a defined cost threshold (e.g., $100,000 or more). Project expenses are typically all tracked here and has revenue sources as transfers in.	Capital Improvement Projects	Governmental Fund	Committed, Assigned	
151	Capital Outlay Projects	This category includes routine, yet essential, capital investments that support operations but do not rise to the level of a major capital project. These items are often recurring and ensure that existing assets remain safe, functional, and efficient. Project expenses are typically all tracked here and has revenue sources as transfers in.	Capital Improvement Projects	Governmental Fund	Committed, Assigned	
7	Drainage Construction Impact Fees	For payment of the actual or estimated costs of constructing and improving the storm drain facilities within the city, including any required acquisition of land.	Special Revenue Fund - DIF	Governmental Fund	Restricted	Yes
8	Traffic Impact Mitigation Fees	improvement of the traffic network, including any required acquisition of land.	Special Revenue Fund - DIF	Governmental Fund	Restricted	Yes

Fund No.	Fund Name	Short Description	Category	Classification	Restricted, Committed, Assigned, Unassigned	Interest Earning
9	Park & Recreation Facilities Impact Fees	For payment of the actual or estimated costs of constructing and improving the park and recreation facilities within the city, including any required acquisition of land, as well as grading, irrigation, and turfing costs associated therewith.	Special Revenue Fund - DIF	Governmental Fund	Restricted	Yes
21	General Facility Impact Fees	For payment of the actual or estimated costs of constructing and improving the general municipal facilities within the city, including any required acquisition of land.	Special Revenue Fund - DIF	Governmental Fund	Restricted	Yes
27	Police Facility Building Impact Fees	For payment of the actual or estimated costs of law enforcement facilities, equipment, and training, including any required acquisition of land.	Special Revenue Fund - DIF	Governmental Fund	Restricted	Yes
86	Library Impact Fees	For payment of the actual or estimated costs of constructing and improving the library facilities within the city, including any required acquisition of land.	Special Revenue Fund - DIF	Governmental Fund	Restricted	Yes
2	Recycling/Environment	This fund accounts for fees paid by solid waste companies and customers through the County of Santa Cruz for disposal of solid waste in County transfer facilities. A portion of these revenues are sent back to the City help pay for recycling and environmental protection. (CSA-9)	Special Revenue Fund	Governmental Fund	Restricted	Yes
3	Gas Tax (HUTA)	The state of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel and registration taxes on motor vehicles with allocations to dedicated transportation purposes. These allocations flow through the Highway Users Tax Account (HUTA), which are allocated to state and local agencies based primarily on population.	Special Revenue Fund	Governmental Fund	Restricted	Yes
5	SMIP Fees	The City collects a Strong Motion Instrumentation Program (SMIP) fee on building permits requiring inspection, which supports California's statewide seismic monitoring efforts. Administered by the Department of Conservation, these funds help install and maintain seismic instruments and are remitted to the State as required by law.	Special Revenue Fund	Governmental Fund	Restricted	
17	HOME Grant Program	The HOME Grant Program is administered by HUD and provides block grants to state and local governments to support affordable housing for low-income households. Funds are used for activities such as homebuyer assistance, rental housing development, and property rehabilitation.	Special Revenue Fund	Governmental Fund	Restricted	Yes
19	Affordable Housing	After the dissolution of Scotts Valley's redevelopment agency in 2012, the City became the successor housing agency to manage affordable housing programs. It received funds and properties from the former agency, including rental income and first-time homebuyer loan repayments. These revenues support the administration of existing affordable housing and help fund new affordable housing development through subsidies to developers.	Special Revenue Fund	Governmental Fund	Committed, Assigned	Yes
24	Lennar Funds	In 2014, the City received $1 million from Lennar Homes as part of a development agreement for the former Polo Ranch property. The funds, to be used at the City Council's discretion, have supported various park and recreational infrastructure improvements.	Special Revenue Fund	Governmental Fund	Committed	

Fund No.	Fund Name	Short Description	Category	Classification	Restricted, Committed, Assigned, Unassigned	Interest Earning
31	STP Exchange Projects (RSTPX)	The City receives grant funding through the Regional Surface Transportation Program and the California Local Partnership Program to support transportation-related projects. This fund accounts for the grant revenues and capital expenditures associated with approved projects.	Special Revenue Fund	Governmental Fund	Restricted	Yes
33	Tree Replacement	The City levies a tree removal fee for property owners that wish to remove trees on their property. Fees collected are used to fund tree planting maintenance efforts on City property to mitigate the environmental impact on tree removal by private property owners.	Special Revenue Fund	Governmental Fund	Committed	
35	Green Building Funding	The City collects a green building fee, as outlined in Municipal Code §17.51.080, on most property developments based on the project's assessed valuation. The fee supports program management, public education, and local seminars on green building practices.	Special Revenue Fund	Governmental Fund	Committed	
36	Disability Compliance	The City collects a fee on business license registrations and renewals, as required by Senate Bill 1186. Ninety percent supports local accessibility compliance efforts, including training certified access specialists, while the remaining ten percent is remitted to the State.	Special Revenue Fund	Governmental Fund	Assigned	
50	Pinewood Estates Maint. Dist.	Established in 1987, the Pinewood Estates Landscape Maintenance District funds the upkeep of landscaping, irrigation, signage, fencing, and storm detention ponds for 25 parcels. Maintenance costs are covered by assessments levied on homeowners within the district.	Special Revenue Fund	Governmental Fund	Restricted	Yes
51	Mt. Hermon Traffic Mitigation	This fund accounts for fees charged for any development project whose traffic generation causes an increased burden on Scotts Valley Dr/Mt. Hermon Rd and Mt. Hermon Rd/La Madrona Dr.	Special Revenue Fund	Governmental Fund	Assigned	
77	Skypark Landscape Maint. Dist.	Established in 1995, the Skypark Open Space Maintenance District funds the upkeep of a linear park and two greenbelt areas serving 190 adjacent parcels. Maintenance and utilities are funded through assessments deposited into Fund 077, while Fund 078 holds reserves for slope failure self-insurance.	Special Revenue Fund	Governmental Fund	Restricted	Yes
78	Skypark Landscape Maint. Dist. Insurance	Established in 1995, the Skypark Open Space Maintenance District funds the upkeep of a linear park and two greenbelt areas serving 190 adjacent parcels. Maintenance and utilities are funded through assessments deposited into Fund 077, while Fund 078 holds reserves for slope failure self-insurance.	Special Revenue Fund	Governmental Fund	Restricted	Yes
88	Library Improvements (Measure S)	Measure S, passed in June 2016, allocated $3.75 million in bond funding for renovations to the Scotts Valley Library. The project, which began in summer 2021 and was completed in 2022, included seismic upgrades, a new HVAC system, interior redesigns, and various facility improvements. Remaining funds were drawn down in FY 2022-23.	Special Revenue Fund	Governmental Fund	Restricted	Yes
89	Library - Cty MOE Excess Distribution	The City participates in the Santa Cruz County Library Financing Authority, which collects property taxes in Scotts Valley to fund the City's share of the countywide library system and operate the Scotts Valley Branch. This contribution, known as the Maintenance of Effort (MOE), supports library services and may be used for renovation projects and direct operational costs as needed.	Special Revenue Fund	Governmental Fund	Restricted	Yes
115	Section 115 Set Aside - Pension	This fund was established for the safe and secure setting aside of funds, separate from the government's general fund, to reduce pension liabilities and stabilize pension costs.	Special Revenue Fund	Governmental Fund	Restricted	Yes

Fund No.	Fund Name	Short Description	Category	Classification	Restricted, Committed, Assigned, Unassigned	Interest Earning
155	Measure D Sales Tax for Transportation	The passage of countywide Measure D in November 2016 provides nearly $300,000 in annual sales tax revenues to the City to fund a variety of transportation projects that the City might not have otherwise been able to fund with existing revenues (a key stipulation in the measure). Projects are identified and approved by the Regional Transportation Commission on an annual basis.	Special Revenue Fund	Governmental Fund	Restricted	Yes
156	SB-1 (RMRA)	Established under SB 1 (The Road Repair and Accountability Act of 2017), RMRA funds are dedicated to maintaining and improving California's transportation infrastructure.	Special Revenue Fund	Governmental Fund	Restricted	Yes
200	Quimby Act	This fee is collected from developers in lieu of requiring them to dedicate land for parks, recreation, or open space when a subdivision does not align with designated areas in the city's open space plans.	Special Revenue Fund	Governmental Fund	Restricted	Yes
201	Measure Q	The Measure Q Fund is a dedicated special revenue fund established to support environmental resilience in Santa Cruz County. It was created by voter-approved ordinance to protect local drinking water sources, improve water quality, reduce wildfire risk, conserve wildlife and habitats, and expand access to parks and recreation.	Special Revenue Fund	Governmental Fund	Restricted	Yes
306	Supplemental Law Enforcement Services	provisions of California Government Code §30061 under the Citizens' Option for Public Safety program. These funds, known as "supplemental law enforcement services funds." (SLESF) are allocated to local agencies to provide "front-line law enforcement services", allocated based on population; the City of Scotts Valley receives a grant of $100,000 to each agency.	Special Revenue Fund	Governmental Fund	Restricted	Yes
313	Youth Based Programs	This fund accounts for youth focused programs such as DARE, the Junior Policy Academy, National Night Out, Police Exploring, and other associated youth focused public relations events.	Special Revenue Fund	Governmental Fund	Committed	
317	Community and Economic Grants	This fund accounts for revenues and expenditures related to federally, state, and locally funded grant programs that support community development and economic growth. This fund primarily tracks activities funded through the Community Development Block Grant (CDBG) program administered by the U.S. Department of Housing and Urban Development (HUD), as well as Economic Development Grant (EDG) programs awarded by state or local agencies.	Special Revenue Fund	Governmental Fund	Restricted	Yes
66	Debt Service	This fund holds reserve assets for previous City debt service. The remaining balance is used to smooth out future debt service payments until the fund is expended or a new debt service requires a reserve.	Debt Service Funds	Governmental Fund	Assigned	
10	Wastewater Operations	The City provides wastewater services to the community through its wastewater collection and treatment plant operations. Wastewater services are provided under the Public Works Department.	Wastewater Fund	Enterprise Fund	Varies	Yes
11	Tertiary Operating	The City provides tertiary water (recycled water) services through the treatment and distribution of non-potable water to the Scotts Valley Water District, maintained and operated by the City Wastewater Department.	Wastewater Fund	Enterprise Fund	Varies	
12	Wastewater Treatment Facility Fee (DIF)	For payment of the actual or estimated costs of constructing and improving the sewage treatment facilities within the city, including any required acquisition of land.	Wastewater Fund	Enterprise Fund	Restricted	Yes
14	Wastewater Capital Replacement Fund	This fund is established to finance the replacement of wastewater infrastructure, such as pipes, pumps, and treatment plant equipment, after they have reached the end of their useful lifespan.	Wastewater Fund	Enterprise Fund	Committed, Assigned	

RESOLUTION NO. 1501.32

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE CONTINUED COLLECTION OF THE UTILITY USERS' TAX FOR THE FISCAL YEAR 2025-26

WHEREAS, the City Council adopted Ordinance 109.3 in July 1992 imposing a utility users' tax subject to voter approval (Measure R); and

WHEREAS, Measure R was approved by the voters on November 5, 2002; and

WHEREAS, the utility users' tax is solely for the purpose of providing revenue for the usual current expenditures of the City; and

WHEREAS, Ordinance 109.3 requires that the City Council review this tax on an annual basis at the same time as it reviews its proposed annual budget; and

WHEREAS, the proposed FY 2025-26 Annual Budget requires the continuation of the collection of the utilities users' tax.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council hereby approves the continued collection of the utility users' tax through June 30, 2026.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a special meeting held on the 4th day of June, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:_____

Derek Timm, Mayor

Attest:_____

Cathie Simonovich, City Clerk

AGENDA ITEM 6.
DATE: 6/4/2025

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Rodolfo Onchi, Public Works Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Pinewood Estates Maintenance Assessment District Request for Engineering Report**

SUMMARY OF ISSUE

On July 15, 1987, Resolution 1213 was adopted by City Council to form the referenced assessment district pursuant to the Landscape and Lighting Act of 1972. The District improvements, which generally consist of ornamental landscaping, irrigation equipment, signs, fences, and storm detention ponds, were dedicated to the City by the developer of Pinewood Estates subdivision. These improvements were planted/constructed in the right-of-way of Lockewood Lane and in landscaping easements from the subdivision. The district participants are the twenty-five Pinewood Estates homeowners, who are being assessed for the cost of maintaining the improvements.

The District special fund is annually depleted and an Annual Engineer's Report is filed, which includes an estimate of expenses to be paid by the district, a description of the work to be performed or improvements to be made, and benefit assessment, outlining the proposed budget for the cost of maintaining, repairing, and operating any public improvements. Council must adopt a resolution instructing the City's engineer to prepare and file a report with the City Clerk in accordance with Article 4, Chapter 1, Part 2, of the Landscaping and Lighting Act of 1972 for the 2025-2026 fiscal year.

After completion of the Engineer's Report, the City Council will consider the report and a resolution of intention to impose the annual assessments. It is expected that it will occur at the June 18th City Council Meeting. On August 6, 2025, the City Council will hold the public hearing and consider any protests to the imposition of the assessments. As required, all 25 owners will be notified via mail before the public hearing.

FISCAL IMPACT

No fiscal impact is associated with this action.

STAFF RECOMMENDATION

Staff recommends that Council adopt Resolution No. 1213.39, a resolution of the City Council

of the City of Scotts Valley instructing the City's engineer to prepare and file a report with the City Clerk in accordance with Article 4, Chapter 1, Part 2, of the Landscaping and Lighting Act of 1972.

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1. Resolution No. 1213.39 - Prepare Engineer Report for Pinewood Estates Assessment

RESOLUTION NO. 1213.39

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY DIRECTING THE CITY ENGINEER TO PREPARE THE PINEWOOD ESTATES MAINTENANCE ASSESSMENT DISTRICT ENGINEER'S REPORT

WHEREAS, the City of Scotts Valley has an assessment district which was created pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code § 22500); and

WHEREAS, assessments are to be levied and collected within the Pinewood Estates Maintenance Assessment District for the 2025-2026 fiscal year; and

WHEREAS, the procedure for levy of annual assessments found in the California Streets and Highways Code Section 22500 et seq. requires that the City Council direct the City Engineer to prepare and file an appropriate report; and

WHEREAS, the purpose of the District is for the landscape maintenance of ornamental landscaping, irrigation equipment, signs, fences, and storm detention ponds.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED as follows:

1. That the City Engineer is hereby instructed to prepare and file a report with the City Clerk in accordance with Article 4, Chapter 1, Part 2, of the Landscaping and Lighting Act of 1972.

2. That this Resolution shall be effective immediately.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of June 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

AGENDA ITEM 7.
DATE: 6/4/2025

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Rodolfo Onchi, Public Works Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Skypark Open Space Maintenance Assessment District Request for Engineering Report**

SUMMARY OF ISSUE

In 1995, the City Council formed the Skypark Open Space Maintenance Assessment District No. 1 and subsequently authorized the levy and collection of an assessment to maintain the open space district. The revenue collected to maintain the district includes linear park, two greenbelt areas, and a self-insurance fund in the event of a slope failure. The assessment district is formed pursuant to the Landscaping and Lighting Act of 1972 and must be renewed annually.

Each year, an Annual Engineer's Report is filed, which includes an estimate of expenses to be paid by the district, a description of the work to be performed or improvements to be made, and benefit assessment, outlining the proposed budget for the cost of maintaining, repairing, and operating any public improvements. Council must adopt a resolution instructing the City's engineer to prepare and file a report with the City Clerk in accordance with Article 4, Chapter 1, Part 2, of the Landscaping and Lighting Act of 1972 for the 2025-2026 fiscal year.

Revenue generated by the assessment covers expenses related landscape services such as cultivation, trimming, spraying, fertilizing or treating of disease, and removal of trimmings, debris, and other solid waste; repair, reconstruction, removal, and/or replacement of items related to the maintenance of vegetation and open space, including but not limited to: irrigation systems, lighting, infrastructure (curbs, gutters, sidewalks); and utilities (water and electricity). The assessment also requires that funds be set aside in the event of a slope failure within the assessment area.

After completion of the Engineer's Report, the City Council will consider the report and a resolution of intention to impose the annual assessments. It is expected that it will occur at the June 18th City Council Meeting. On August 6, 2025, the City Council will hold the public hearing and consider any protests to the imposition of the assessments. As required, all 190 owners will be notified via mail before the public hearing.

FISCAL IMPACT

No fiscal impact is associated with this action.

STAFF RECOMMENDATION

Staff recommends that Council adopt Resolution No. 1555-SP-037, a resolution of the City Council of the City of Scotts Valley instructing the City's engineer to prepare and file a report with the City Clerk in accordance with Article 4, Chapter 1, Part 2, of the Landscaping and Lighting Act of 1972.

TABLE OF CONTENTS

1. Resolution No. 1555-SP-037 - Prepare Engineer Report for Skypark Assessment

RESOLUTION NO. 1555-SP-037

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY DIRECTING THE CITY ENGINEER TO PREPARE THE SKYPARK OPEN SPACE MAINTENANCE ASSESSMENT DISTRICT ENGINEER'S REPORT

WHEREAS, the City of Scotts Valley has an assessment district which was created pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code § 22500); and

WHEREAS, assessments are to be levied and collected within the Skypark Open Space Maintenance Assessment District for the 2025-2026 fiscal year; and

WHEREAS, the procedure for levy of annual assessments found in the California Streets and Highways Code Section 22500 et seq. requires that the City Council direct the City Engineer to prepare and file an appropriate report; and

WHEREAS, the purpose of the District is for the landscape maintenance of the linear park and two greenbelt areas, and a self-insurance fund in the event of a slope failure.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED as follows:

1. That the City Engineer is hereby instructed to prepare and file a report with the City Clerk in accordance with Article 4, Chapter 1, Part 2, of the Landscaping and Lighting Act of 1972.

2. That this Resolution shall be effective immediately.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of June 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Rodolfo Onchi, Public Works Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Award Contract to Rapid Grading Services for the Street Resurfacing and Pavement Repair Project and Authorize the City Manager to Enter into a Contract with Rapid Grading Services in an Amount Not to Exceed $1,854,000.**

SUMMARY OF ISSUE

The City of Scotts Valley (City) released a formal invitation for bids for annual pavement maintenance and rehabilitation on various streets throughout the City, covering approximately 13 lane miles. The streets are shown on the map attached to this report. The scope of work will vary by location and may include the removal and replacement of failed pavement sections (dig-outs), asphalt grinding and overlay, slurry seal application, reconstruction of hot mix asphalt (HMA) dike, and the reinstallation of loop detectors. Additional work will include traffic control and temporary erosion control measures.

On May 23, 2025 the City received three bids for the Street Resurfacing and Pavement Repair Project. The lowest responsive and responsible bid was received by Rapid Grading Services with a total bid amount of $1,545,000.

Bidder	Amount of Bid
Always Paving, Inc.	$1,654,199.52 + $139,295.00 = $1,793,494.51
Rapid Grading Services	$1,479,000.00 + $66,000.00 = $1,545,000.00
Graniterock	$2,301,551.50 + $122,337.45 = $2,423,888.95

FISCAL IMPACT

Funding for this project is included in the FY 2025/26 Capital Improvement Program budget. Staff recommends a not-to-exceed amount of **$1,854,000**, which includes a 20% contingency

($309,000) to cover unforeseen conditions or necessary change orders. The contingency portion would be funded through available special revenue funds.

STAFF RECOMMENDATION

Staff recommends that the City Council:

1. Select Rapid Grading Services as the lowest responsive and responsible bidder for the Street Resurfacing and Pavement Repair Project;
2. Authorize a 20% contingency, for a total not-to-exceed amount of $1,854,000 for the project;
3. Authorize the City Manager to execute the contract, in a form approved by the City Attorney, with Rapid Grading Services; and
4. Authorize the City Manager to approve change orders up to $309,000.

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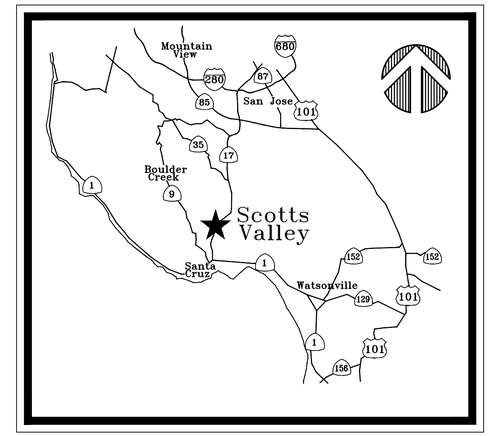
1. Street Resurfacing and Pavement Repair Project Map - May 2025
2. Street Resurfacing & Pavement Repair Project Agreement - 05.28.25

CITY OF SCOTTS VALLEY
STREET RESURFACING AND PAVEMENT REPAIR
CIP# 25-001



VICINITY MAP
NO SCALE

LOCATION MAP
NTS

SHEET INDEX:

BASE BID

PAGE No.	DWG No.	DESCRIPTION
1	T–1	TITLE SHEET
2	GN–1	GENERAL NOTES
3	GL–1	GLENWOOD DRIVE – LAYOUT PLAN
4	GL–2	GLENWOOD DRIVE – LAYOUT PLAN
5	GL–3	GLENWOOD DRIVE – DETAILS
6	HA–1	HACIENDA DRIVE – LAYOUT PLAN
7	HA–2	HACIENDA DRIVE – LAYOUT PLAN
8	HA–3	HACIENDA DRIVE – DETAILS
9	HA–4	HACIENDA DRIVE – DETAILS
10	WP–1	WHISPERING PINES DRIVE – LAYOUT PLAN
11	WP–2	WHISPERING PINES DRIVE – LAYOUT PLAN
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13	VS–1	VICTOR SQUARE – LAYOUT PLAN
14	NA–1	N. NAVARRA DRIVE – LAYOUT PLAN
15	LO–1	LOCKEWOOD LANE – LAYOUT PLAN
16	LO–2	LOCKEWOOD LANE – DETAILS
17	LO–3	LOCKEWOOD LANE – DETAILS
18	EP–1	EL PUEBLO ROAD – LAYOUT PLAN
19	EP–2	EL PUEBLO ROAD – DETAILS
20	MH–1	MOUNT HERMON ROAD – LAYOUT PLAN
21	MH–2	MOUNT HERMON ROAD – LAYOUT PLAN
22	MH–3	MOUNT HERMON ROAD – STRIPING PLAN
23	MH–4	MOUNT HERMON ROAD – STRIPING PLAN
24	MH–5	MOUNT HERMON ROAD – DETAILS
25	MH–6	MOUNT HERMON ROAD – DETAILS
26	ER–1	ERBA LANE – LAYOUT PLAN
27	GC–1	GRANITE CREEK ROAD – LAYOUT PLAN
28	GC–2	GRANITE CREEK ROAD – LAYOUT PLAN

BID ADDITIVE 1

29	BC–1	BEAN CREEK ROAD – LAYOUT PLAN

DEPARTMENT OF PUBLIC WORKS
CITY OF SCOTTS VALLEY

THESE PLANS HAVE BEEN REVIEWED BY THE PUBLIC WORKS DIRECTOR AND CITY ENGINEER AND ARE APPROVED FOR CONSTRUCTION.

APPROVED _____ DATE 5/6/25

RODOLFO ONCHI, PW DIRECTOR

CALL UTILITY NOTIFICATION CENTER OF CALIFORNIA

811

Know what's **below.**
Call before you dig.

CALL 2 BUSINESS DAYS IN ADVANCE BEFORE YOU DIG, GRADE, OR EXCAVATE FOR THE MARKING OF UNDERGROUND MEMBER UTILITIES.

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ENGINEERING / PUBLIC WORKS
831.438.5854 FAX 831.439.9748

CIP# 25–001
STREET RESURFACING AND PAVEMENT REPAIR PROJECT
TITLE
SCOTTS VALLEY SANTA CRUZ COUNTY CALIFORNIA

REGISTERED PROFESSIONAL ENGINEER
JONATHAN Q. NGUYEN
C 82 Exp. 9–30–25
CIVIL
STATE OF CALIFORNIA

Revisions

No.	

Date: 5–1–25
Scale:
Design: DN
Drawn: AL
Drawing Number:
T-1
1 OF 29

P:\CIP\Project Files\Project Files 2024-2025\Annual Street Maintenance\Plans\2024-25 Annual Street Maintenance.dwg 06 May 2025 11:29:01am alee

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA

CONSTRUCTION AGREEMENT

THIS AGREEMENT, made and concluded that **29th day of May, 2025** between the **CITY OF SCOTTS VALLEY**, hereinafter called CITY, and **Rapid Services, LLC, dba Rapid Grading Services**, hereinafter called CONTRACTOR.

ARTICLE I. WITNESS TO, that for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by CITY, and under the conditions expressed in the bonds, bearing even date with these presents and hereunto annexed, CONTRACTOR agrees with CITY, at CONTRACTOR'S own proper cost and expense, to do all the work and furnish all the materials, except such as are mentioned in the specifications to be furnished by CITY, necessary to construct and complete the work of the improvement herein referenced in a good workmanlike and substantial manner and to the satisfaction of the CITY'S Director of Public Works, **Street Resurfacing and Pavement Repair Project**, in accordance with the Standard Provisions hereto annexed, and also in accordance with the General Prevailing Wage Rates as determined by the Department of Industrial Relations, which said Standard Provisions and General Prevailing Wage Rates are hereby specifically referred to and by such reference made a part hereof.

The work to be done is described in Section 1 "Description of Work" of the Standard Provisions, which said Standard Provisions are hereby made a part of this contract, and is shown upon the plans entitled **Street Resurfacing and Pavement Repair Project**, which said plans are hereby made a part of the contract. **The work shall be completed 47 working days after issuance of notification to proceed.**

ARTICLE II. CITY hereby promises and agrees with CONTRACTOR to employ, and does hereby employ, CONTRACTOR to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the prices set forth in the Bid of CONTRACTOR for the work to be constructed and completed under this Agreement, which prices shall be considered as though repeated herein, subject to additions and deductions as provided therein, and hereby contracts to pay the same at the time, in the manner upon the conditions herein set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III. The statement of prevailing wages appearing in the General Prevailing Wage Rates is hereby specifically referred to and by this reference is made a part of this contract. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the bid or proposal of said CONTRACTOR, then this instrument shall control, and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE IV. By its signature hereunder, as CONTRACTOR, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and it will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE V. **CONTRACTOR shall be compensated for satisfactory completion of the work in compliance with the contract documents for the sum not to exceed $1,545,000.00 in accordance with the Bid Schedule outlined in the CONTRACTOR'S Bid and Bid Price Schedule, dated May 23, 2025.**

CONTRACTOR agrees to receive and accept the prices as set forth in the Bid of CONTRACTOR for the work to be constructed and completed under this Agreement, which prices shall be considered as though repeated herein, subject to additions and deductions as provided therein, as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also, for all loss or damage arising out of the nature of the work aforesaid, or from the action of elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by CITY, and for all the risks of every description connected with the work; also, for all expenses incurred by or in consequence of the suspension or discontinuance of work; and for well and faithfully

completing the work, and the whole thereof, in the manner and according to the plans and specifications, and the requirements of Engineer.

ARTICLES VI. CONTRACTOR shall indemnify and save harmless and defend CITY, its elected officials, officers, agents, consultants, servants and employees, and each of them from and against:

(a) Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind and nature whatsoever for, but not limited to, injury to or death of any person including CONTRACTOR, or any elected official, officer, agent, consultant, servant and/or employee of CITY or CONTRACTOR, and damages to or destruction of property of any person, including, but not limited to, CITY and/or CONTRACTOR and their elected officials, officers, agents, consultants, servants and/or employees, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, regardless of any negligence of CITY or its elected officials, officers, agents, consultants, servants or employees, except the sole negligence or willful misconduct of CITY or its elected officials, officers, agents, consultants, servants or employees, or the active negligence of CITY, its elected officials, officers, agents, consultants, servants or employees;

(b) and any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of CONTRACTOR.

CONTRACTOR shall, at CONTRACTOR'S own cost, expense and risk, defend any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against CITY or CITY'S elected officials, officers, agents, consultants, servants or employees.

CONTRACTOR shall pay and satisfy and judgment, award or decree that may be rendered against CITY or its elected officials, officers, agents, consultants, servants or employees, in any such suit, action or other legal proceedings;

CONTRACTOR shall reimburse CITY and its elected officials, officers, agents, consultants, servants and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

ARTICLE VII. Prior to the commencement of any work, CONTRACTOR shall provide CITY with evidence that it has obtained insurance and Performance and Payment Bonds satisfying all requirements outlined in the Insurance Certificate. Failure to do so shall be deemed a material breach of this Construction Contract.

ARTICLE VIII. The complete contract for the work of improvement herein referenced consists of the following documents, all of which are hereby expressly made a part hereof and incorporated herein by this reference. CONTRACTOR shall be bound by the requirements and obligations of such documents.

1. Notice To Bidders
2. Construction Agreement
3. Bond for Faithful Performance
4. Bond of Security of Laborers and Material Person
5. Proposal
6. General Provisions
7. Contractor's Bid and Bid Price Schedule
8. Public Contract Code Section 10162 Questionnaire
9. Public Contract Code Section 10232 Statement
10. Public Contract Code Section 10285.1 Statement
11. Noncollusion Affidavit
12. Bidder's Bond
13. Standard Provisions
14. Standard Specifications dated 2024 and Standard Plans dated 2024 of the California Department of Transportation

15. Labor Surcharge and Equipment Rental Rates and the General Prevailing Wage Rates as determined by the California Department of Transportation Division of Construction (all as referenced herein)
16. Technical specifications
17. Plans entitled,
18. Insurance Certificate
19. Information for Bidders

IN WITNESS WHEREOF, CITY has caused these presents to be executed by its officers hereunto duly authorized, and CONTRACTOR has subscribed same, all on the day and year first above written.

CONTRACTOR

By: _____

Date: _____

License No: _____

FOR CITY OF SCOTTS VALLEY

By:_____ Date:_____
Mali LaGoe, City Manager

ATTEST:

By:_____ Date:_____
Cathie Simonovich, City Clerk

APPROVED AS TO FORM:

By:_____ Date:_____
Kirsten Powell, City Attorney

A5 - PROPOSAL

To: CITY OF SCOTTS VALLEY,
COUNTY OF SANTA CRUZ,
STATE OF CALIFORNIA
(herein called Owner)

for the construction of

Public Works Project No. P25-001
Street Resurfacing and Pavement Repair Project

NAME OF BIDDER Rapid Grading Services

BUSINESS P.O. BOX _____

CITY, STATE, ZIP _____

BUSINESS STREET ADDRESS 23842 Cabot Blvd
(Please include even if P.O. Box used)

CITY, STATE, ZIP Hayward, CA 94545

TELEPHONE NO: AREA CODE (650) 281.5495

FAX NO: AREA CODE ( )

CONTRACTOR LICENSE NO. 1101213

DIR CONTRACTOR REGISTRATION NO. 1001011090

PROPOSED SCHEDULE OF WORK:

Erosion Control, Traffic Control, HMA work (digouts, grind/overlay), Crack/Slurry, Loop Detectors

1. Pursuant to and in compliance with your Notice to Bidders and the contract documents relating to the construction of Street Resurfacing and Pavement Repair Project Addenda Nos. 01, 02, _____, _____ the undersigned bidder, having become thoroughly familiar with the terms and conditions of the contract documents and with the local conditions affecting the performance and costs of the work at the place where the work is to be done, and having fully inspected the site in all particulars, hereby proposes and agrees to perform fully the work within the time stated in strict accordance with the contract documents (including the furnishing of any and all labor and materials) and do all the work required to construct and to complete said work in accordance with the contract documents.

2. It is understood that Owner reserves the right to reject this bid, but that this bid shall remain open and contractor shall not request that the bid be withdrawn for a period of sixty (60) days from the date prescribed for its opening.

3. Attached hereto and incorporated herein is the complete and entire list of subcontractors to be employed by the undersigned in the performance of the work.

4. If written notice of the acceptance of this bid is mailed or delivered personally to the undersigned within sixty (60) days after the date set for the opening of this bid, or at any time thereafter before it is withdrawn, the undersigned bidder shall execute and deliver the contract documents to Owner in accordance with this bid as accepted, and will also furnish and deliver to Owner the Performance Bond, Labor and Material person's Bond as specified and proof of insurance coverage as required in the General Conditions, all within ten (10) days after personal delivery or after deposit in the mails, of the notifications of acceptance of this bid. The above-mentioned bonds shall be satisfactory to and on the forms approved by Owner.

5. Notice of acceptance or request for additional information may be addressed to the undersigned at the address set forth below.

6. The undersigned declares that this bid is not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation; that the bid is genuine and not collusive or sham; that the undersigned has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid and has not directly or indirectly colluded or agreed with any bidder or anyone else to put in a sham bid or to refrain from bidding; that the undersigned has not directly or indirectly sought by agreement, communications or conference with anyone to fix said bid price or the bid price of any other bidder, or to fix any overhead, profit or cost element of such bid price or of that of any other bidder, or to secure any advantage against the City of Scotts Valley or anyone interested in the proposed contract; that the only persons or parties interested in this bid as principals are those named herein; that all statements contained in this bid are true; that the undersigned has not directly or indirectly submitted under sign's bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any other persons, partnership, corporation or association except to such person or persons as have a direct financial interest in bidder's general business; and that the undersigned has not accepted any bid from any subcontractor or material person through any bid depository, the By-Laws, Rules or Regulations of which prohibit or prevent the undersigned from considering any bid from any subcontractor or material person, which is not processed through said bid depository, or which may prevent any subcontractor or material person, which is not processed through said bid depository, or which may prevent any subcontractor or material person from bidding to any general contractor who does not use the facilities of or accept bids from or through such bid depository.

7. Bids are to be submitted for the entire work. The amount of the bid for comparison purposes will be the total of all items. The bidder shall set forth for each unit basis item of work a unit price and a total for the item, and for each lump sum item a total for the item, all in clearly legible figures in the respective spaces provided for that purpose. In the case of unit basis items, the amount set forth under the "Item Total" column shall be the product of the unit price bid and the estimated quantity for the item. In case of discrepancy between the unit price and the total set forth for a unit basis item, the unit price shall prevail, except as provided in (a) or (b), as follows:

(a) If the amount set forth as a unit price is unreadable or otherwise unclear, or is omitted, or is the same as the amount as the entry in the item total column, then the amount set forth in the item total column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price;

(b) (Decimal Errors) If the product of the entered unit price and the estimated quantity is exactly off by a factor of ten, one hundred, etc., or one-tenth, or one-hundredth, etc. from the entered total, the discrepancy will be resolved by using the entered unit price or item total, whichever most closely approximates percentage wise the unit price or item total in the *CITY OF SCOTTS VALLEY*'s Final Estimate of cost.

If both the unit price and the item total are unreadable or otherwise unclear, or are omitted, the bid may be deemed irregular. Likewise if the item total for a lump sum item is unreadable or otherwise unclear, or is omitted, the bid may be deemed irregular unless the project being bid has only a single item and a clear, readable total bid is provided.

Symbols such as commas and dollar signs will be ignored and have no mathematical significance in establishing any unit price or item total or lump sums. Written unit prices, item totals and lump sums will be interpreted according to the number of digits and, if applicable, decimal placement. Cents symbols also have no significance in establishing any unit price or item total since all figures are assumed to be expressed in dollars and/or decimal fractions of a dollar. Bids on lump sum items shall be item totals only; if any unit price for a lump sum item is included in a bid and it differs from the item total, the items total shall prevail.

8. The undersigned certifies that the contract documents have been thoroughly read and understood and that, except as may be specifically noted and contained in addenda, there are no discrepancies or misunderstandings as to the meaning, purpose or intent of any provision in the contract documents or as to the interpretation of the same. The undersigned hereby incorporates by reference, the same as though set out in full, all provisions of the Notice to Bidders and Information for Bidders published by Owner and pertaining to the work described in this bid.

9. The undersigned has included with its bid submittal a proposed schedule of work, subject to modification by the Public Works Director, that identifies key project milestones and requirements including irrigation system repair; hydro-seeding; and watering, weeding and mowing schedules.

The foregoing provisions for the resolution of specific irregularities cannot be so comprehensive as to cover every omission, inconsistency, error or other irregularity which may occur in a bid. Any situation not specifically provided for will be determined in the discretion of the *CITY OF SCOTTS VALLEY*, and that discretion will be exercised in the manner deemed by the *CITY OF SCOTTS VALLEY* to best protect the public interest in the prompt and economical completion of the work. The decision of the *CITY OF SCOTTS VALLEY* respecting the amount of a bid, or the existence or treatment of an irregularity in a bid, shall be final.

Accompanying this bid is bidder's bond (insert words "cash", "cashier's check", "certified check" or "bidder's bond" as the case may be), in an amount equal to at least ten percent (10%) of the total of the bid.

The names of all persons interested in the foregoing bid as principals are as follows:

IMPORTANT NOTICE: If bidder or other interested person is corporation, give legal name of corporation, state where incorporated and names of the president and secretary thereof; if a partnership, give name of the firm, also names of all individual co-partners composing firm; if bidder or other interested person is an individual, give first and last names in full.

Rapid Services LLC dba Rapid Grading Services

Yadwinder Singh, Manager

Yadwinder Singh

NOTE: If bidder is a corporation, the legal name of the corporation shall be set forth above, together with the signature of the officer or officers authorized to sign contracts on behalf of the corporation; if bidder is a co-partnership, the name of the firm shall be set forth above, together with the signatures of the partner or partners authorized to sign contracts in behalf of the co-partnership; and if bidder is an individual, said bidder's signature shall be placed above.

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA

A6 - EXPERIENCE STATEMENT

The following outline is a record of the Bidder's recent experience in construction of a type similar in magnitude and character to that contemplated under this contract:

PROJECT OWNER, LOCATION & PHONE	PROJECT	CONTRACT AMOUNT
City of Clayton 6000 Heritage Trail, Clayton, CA 94517 925.890.9732	Clayton Neighborhood Street Rehabilitation Project	Contract Amount – $738,243.00
City of Martinez, 525 Henrietta St, Martinez, CA 94553, 925.372.3566	Alhambra Avenue Downtown Paving Project	Contract amount - $940,391.50
County of Marin 3501 Civic Center Dr, Ste 304, San Rafael, CA 94903, 415.246.5017	2024 PAVEMNT DIGOUT PROJECT – PHASE 1 Project 2024-08	Contract Amount – $400,976.26
City of Lafayette 3675 Mt. Diablo Boulevard, Ste 210, Lafayette, CA94545 (925)284-	2025 ROAD PAVING PROJECT	Contract Amount $2,903,000.00

ADDENDUM #2

May 20, 2025

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA
UPDATED A7 - CONTRACTOR'S BID AND BID PRICE SCHEDULE

Public Works Project No. P25-001
Street Resurfacing and Pavement Repair Project

The items listed in the BID SCHEDULE below shall include full compensation for all labor, materials, tools, equipment, incidentals, and all associated work required to complete the project. This includes preparatory and cleanup activities, transportation of personnel, equipment, supplies, and incidentals to and from the site, as well as obtaining bonds, insurance policies, licenses, and necessary permits. It also covers project meetings, coordination, administrative costs, site maintenance, regular and final cleanups, temporary staging areas, and all other work and operations that may occur before, during, and after construction. All work must be performed in accordance with the Scope of Work, Standard Specifications, Technical Specifications, Standard Plans, Standard Provisions, General Provisions, and Project Plans, as directed by Public Works. No additional compensation will be provided for any of these costs.

BASE BID SCHEDULE					
Item No.	Description	Unit	Estimated Quantity	Contract Unit Price	Bid Amount
1	Mobilization and Demobilization	LS	1	73,000.00	73,000.00
2	Traffic Control System	LS	1	106,970.20	106,970.20
3	Clearing and Grubbing	LS	1	1,900.00	1,900.00
4	Temporary Water Pollution Control	LS	1	3,750	3,750.00
5	Concrete Curb and Gutter (Remove and Reconstruct)	LF	51	117.00	5,967.00
6	2" Asphalt Concrete Grinding	~~SF~~ SY	14037	6.0	84,222.00
7	2" Hot Mix Asphalt (Type A) Overlay	TON	1579	246.00	388,434.00
8	Crack Seal	Lane Mile	9	16,500.00	148,500.00
9	Slurry Seal (Type II)	SY	61337	3.40	208,545.80
10	Adjust Manholes (SS & SD)	EA	33	1,500.00	49,500.00
11	Adjust Miscellaneous Utility Box Frame and Cover to Grade	EA	2	1,200.00	2,400.00
12	Adjust Water Valve Box Frame and Cover to Grade (Scotts Valley Water District)	EA	100	1,200.00	120,000.00
13	Adjust Water Valve Box Frame and Cover to Grade (San Lorenzo Valley Water District)	EA	10	1,200.00	12,000 ~~120,000~~ YS

BASE BID SCHEDULE					
Item No.	Description	Unit	Estimated Quantity	Contract Unit Price	Bid Amount
14	Remove Existing Traffic Striping and Markers	LS	1	65,000	65,000
15	Install Traffic Striping and Markings	LS	1	155,000	155,000
16	4" Dig-Out	SF	1311	11.0	14,421
17	Install Loop Detectors	EA	36	915.0	32,940
18	Remove and Reconstruct New HMA Dike (Type A)	LF	19	300.00	~~5,400~~ 5,700 YS
19	Develop Water Supply	LS	1	750.0	750.0
				GRAND TOTAL (ITEMS 1 THROUGH 18)	**(In Figures)** $1,479,000

BID SCHEDULE - BID ADDITVE 1 – Bean Creek Road					
Item No.	Description	Unit	Estimated Quantity	Contract Unit Price	Bid Amount
1	Mobilization and Demobilization	LS	1	1,000	1,000
2	Traffic Control System	LS	1	1,882.50	1,882.50
3	Clearing and Grubbing	LS	1	1,000	1,000
4	Temporary Water Pollution Control	LS	1	~~3,000.0~~ 300.0 YS	300
5	Concrete Curb and Gutter (Remove and Reconstruct)	LF		0	0
6	2" Asphalt Concrete Grinding	~~SF~~ SY	1450	3.05	4,422.50
7	2" Hot Mix Asphalt (Type A) Overlay	TON	163	220.0	35,860
8	Crack Seal	Lane Mile	0.21	12,000	2,520
9	Slurry Seal (Type II)	SY	1510	1.50	2,265
10	Adjust Manholes (SS & SD)	EA		0	0

BID SCHEDULE - BID ADDITVE 1 – Bean Creek Road					
Item No.	Description	Unit	Estimated Quantity	Contract Unit Price	Bid Amount
11	Adjust Miscellaneous Utility Box Frame and Cover to Grade	EA		0	0
12	Adjust Water Valve Box Frame and Cover to Grade (Scotts Valley Water District)	EA		0	0
13	Adjust Water Valve Box Frame and Cover to Grade (San Lorenzo Valley Water District)	EA		0	0
14	Remove Existing Traffic Striping and Markers	LS	1	6,500	6,500
15	Install Traffic Striping and Markings	LS	1	9,500	9,500
16	4" Dig-Out	SF		0	0
17	Install Loop Detectors	EA		0	0
18	Remove and Reconstruct New HMA Dike (Type A)	LF		0	0
19	Develop Water Supply	LS	1	750.0	750.00
ADDITIVE BID SCHEDULE 1 GRAND TOTAL (ITEMS 1 THROUGH 18)					(In Figures) $66,000

BID ITEM DESCRIPTIONS

This section covers details of individual items of the Bid Schedule to ensure that it is clear as to what is to be included in each item. The costs submitted with each item are to reflect the work to be completed under that bid item only. Payment of all the following items shall be for actual materials installed on the job and for actual work accomplished.

1.0 Mobilization and Demobilization

The contract lump sum (LS) price for "Mobilization and Demobilization" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in mobilization and demobilization complete in place, including preparatory and cleanup work, movement of construction personnel, equipment, supplies and incidentals to and from the project site, obtaining bonds, insurance policies, licenses, and permits required by the contract documents, project meetings, coordination and all related administrative costs for this Project, maintaining the project site, regular cleanup and final cleanup, temporary fencing and staging area, and all other work and operations, which must be incurred prior to the beginning of and after the end of construction work, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the engineer. No additional compensation will be allowed therefor. Final payment will not be released until receipt of approved Record of Drawings. Partial payment of this bid item shall be based on percent of this item completed and shall be contingent upon the Contractor's furnishing and the City's acceptance of: 1) the schedule of values, 2) the construction schedule, 3) Traffic Control Plans, 4) Quality Control Plan, 5) all submittals and shop drawings, 6) electrician certifications, if applied 7) subcontractor's Certificate of Good Faith Effort to hire local, and 8) fringe benefit summary statement. The

total amount bid for Mobilization shall not exceed 10% of the total for that bid schedule, not including the Mobilization value.

2.0 Traffic Control System

The contract lump sum (LS) price paid for "Traffic Control System" shall include full compensation for furnishing all labor, materials, tools, equipment and incidentals, and for doing all the work involved in the preparation, approval, implementation, and maintenance of the approved traffic control plan including construction area signs, 100% of flagging cost, and for doing all work involved in maintaining traffic, including, but not limited to furnishing traffic control devices, temporary striping, construction area signs, channelizers, barriers, barricades, flaggers, changeable message signs, arrow boards, and detouring as specified herein, as specified in the Standard Specifications and these Standard Provisions, and the Technical Specifications, as shown on the plans, and as directed by the Engineer. No additional compensation will be allowed therefor.

3.0 Clearing and Grubbing

The contract lump sum (LS) price for "Clearing and Grubbing" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in clearing and grubbing the site, including clearing, grubbing, and disposal of grass, bushes, and other objectionable material, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, in the Technical Specifications, and as directed by the engineer. No additional compensation will be allowed therefor.

4.0 Temporary Water Pollution Control

The contract lump sum (LS) price for "Temporary Water Pollution Control" shall include full compensation for furnishing all labor, materials, tools, equipment and incidentals, and for doing all the work involved in temporary water pollution control including preparing and obtaining approval of the SWPPP, amend SWPPP, providing and removing temporary drainage inlet protection, temporary fiber roll, temporary construction entrance, temporary concrete washout, and street sweeping, as specified in the Standard Specifications, in these Standard Provisions, in the Technical Specifications, and as directed by the Engineer. No additional compensation will be allowed therefor.

5.0 Concrete Curb and Gutter (Remove and Reconstruct)

The contract unit price paid per linear foot (LF) for "Concrete Curb and Gutter (Remove and Reconstruct)" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in removing and reconstructing concrete curb and gutter, complete in place, including cleanup and disposal of existing materials, and backfilling depressions and other ground disturbance, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, in the Technical Specifications, and as directed by the engineer. No additional compensation will be allowed therefor.

6.0 2" Asphalt Concrete Grinding

The contract unit price paid per square yard for "2" Asphalt Concrete Grinding" shall include full compensation for furnishing all labor, materials, tools, and equipment and incidentals and for doing all work involved in grinding asphalt concrete pavement, sweeping ground material, disposing the grindings, asphalt plugging and regrinding (if necessary), removal of material around manholes, water in the grinding machine and other miscellaneous work, complete in place, as shown on the Plans, as specified in the Standard Provision, in the Technical Specifications, and as directed by the Engineer. No additional compensation will be allowed therefor.

The asphalt concrete grinding material shall be disposed of at the City Town Lot Center. The Contractor shall coordinate with the Engineer to confirm the exact disposal location.

Disposed of the asphalt concrete grinding material shall be considered as included in the contract unit paid per square yard for 2" Asphalt Concrete Grinding. No additional compensation will be allowed therefor.

7.0 2" Hot Mix Asphalt (Type A) Overlay

The contract unit price paid per ton (TON) for "2" Hot Mix Asphalt (Type A) Overlay" shall include full

compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in placing HMA, complete in place, including furnishing, placing, and compacting, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, in the Technical Specifications, and as directed by the engineer. No additional compensation will be allowed therefor.

8.0 Crack Seal

The contract unit price paid per Lane Mile for "Crack Seal" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in crack sealing including routing, cleaning, sealing joints and cracks, complete in place, including cleanup and disposal of existing materials, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, in the Technical Specifications, and as directed by the engineer. No additional compensation will be allowed therefor.

9.0 Slurry Seal (Type II)

The contract unit price paid per square yard (SY) for "Slurry Seal" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in slurry sealing including preparation, mixing and applying the material, test design, clean up, complete in place, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, in the Technical Specifications, City Standard Specifications and Details, and as directed by the engineer. No additional compensation will be allowed therefor.

10.0 Adjust Manhole (Sanitary Sewer & Storm Drain)

The contract unit price per each (EA) for "Adjust Manhole (Sanitary Sewer & Storm Drain)" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in adjusting manholes, complete in place, including cutting and removing portions of structure, raising to grade, installing new frame and cover, PCC, excavating and backfill holes and disposing of surplus excavated material, cleanup and disposal of existing materials, and backfilling depressions and other ground disturbance, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the engineer. No additional compensation will be allowed therefor.

11.0 Adjust Miscellaneous Utility Box Frame and Cover to Grade

The contract unit price per each (EA) for "Adjust Miscellaneous Box Frame and Cover to Grade" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in adjusting miscellaneous utility box assemblies to grade complete in place, including coordination of work with utility company, protecting existing valve box during construction, adjustment of valve box cover, collar and rings to final grade after grading and paving operations as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the engineer. No additional compensation will be allowed therefor.

12.0 Adjust Water Valve Box Frame and Cover to Grade (Scotts Valley Water District)

The contract unit price per each (EA) for "Adjust Water Valve Box Frame and Cover to Grade (Scotts Valley Water District)" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in adjusting water valve assemblies to grade complete in place, including coordination of work with utility company, protecting existing valve box during construction, adjustment of valve box cover, collar and rings to final grade after grading and paving operations as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, per Scotts Valley Water District Standard Specifications and Details, as directed by the engineer. No additional compensation will be allowed therefor.

13.0 Adjust Water Valve Box Frame and Cover to Grade (San Lorenzo Valley Water District)

The contract unit price per each (EA) for "Adjust Water Valve Box Frame and Cover to Grade (San Lorenzo Valley Water District)" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in adjusting water valve assemblies to grade complete in place, including coordination of work with utility company, protecting existing valve box during construction,

adjustment of valve box cover, collar and rings to final grade after grading and paving operations as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, per San Lorenzo Valley Water District Standard Specifications and Details, as directed by the engineer. No additional compensation will be allowed therefor.

14.0 Remove Existing Traffic Marking and Markers

The contract lump sum (LS) price for "Remove Traffic Striping and Marking" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in documenting existing stripes and markings, removing thermoplastic traffic markings and markers, complete in place, including disposing, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the engineer. No additional compensation will be allowed therefor.

15.0 Install Traffic Striping and Markings

The contract lump sum (LS) price for "Install Traffic Striping and Markings" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved installing traffic striping and markings to match existing conditions and as shown on the plans, complete in place, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the engineer. No additional compensation will be allowed therefor.

16.0 4" Dig-Out

The contract unit price paid per square foot (SF) for "4" Dig-Out" shall include full compensation for furnishing all labor, materials, tools, equipment and incidentals, including marking and saw cutting or grinding the pavement, breakup and removal of pavement surface, application of tack coat along the edges of the repair area, placement and compaction of new asphalt surface, as shown on the drawings, as specified in the Standard Specifications and these Standard Provisions, and the Technical Specifications, as shown on the plans, and as directed by the Engineer. No additional compensation will be allowed therefor.

If unsuitable materials are found, the contractor shall be required to remove the unsuitable materials and replace it with the approved suitable materials at the direction of the Engineer. No additional compensation will be allowed therefor.

Hot Mix Asphalt (Type A) and aggregate base shall be considered as included in the contract unit paid per square foot for Dig Out. No additional compensation will be allowed therefor.

17.0 Install Loop Detector

The contract unit price paid per each (EA) for "Install Loop Detector" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in installing loop detector including abandoning existing loop detector, and splicing into existing DLC, complete in place, including disposing, as shown on the plans, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the engineer. No additional compensation will be allowed therefor.

18.0 Remove and Reconstruct New HMA Dike (Type A)

The contract unit price paid per linear foot (LF) for "Remove and Construct New HMA Dike (Type A)" shall include full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all the work involved in removing existing dike and installing HMA Dike (Type A) including disposing, as shown on the drawings, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the engineer. No additional compensation will be allowed therefor.

19.0 Develop Water Supply

The contract lump sum (LS) price paid for "Develop Water Supply" shall include full compensation for furnishing all labor, materials, tools, equipment and incidentals, water meter, and for doing all the work involved in developing water supply including removing and disposing after project completion, as specified in the Standard Specifications, in these Standard Provisions, and as directed by the Engineer. No additional Compensation will be allowed therefor.

PROJECT BASE BID TOTAL (Items1-19): 1,479,000

PROJECT BID ADDITIVE No. 1 TOTAL (Items 1-19): 66,000

Yadwinder Singh

Signature

Yadwinder Singh

Printed Name

Manager, Rapid Services LLC dba Rapid Grading Services

Title

(IMPORTANT NOTICE: If bidder is a corporation, the legal name of the corporation shall be set forth above, together with the signature of the officer or officers authorized to sign contracts on behalf of the corporation; if bidder is a co-partnership, the name of the firm shall be set forth above, together with the signatures of the partner or partners authorized to sign contracts on behalf of the co-partnership; and if bidder is an individual, said bidder's signature shall be placed above.)

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA
A8 - SUBCONTRACTORS LISTING

The Bidder shall list the name and address of each subcontractor to whom the Bidder proposes to subcontract portions of the work, as required by the provisions in Section 2-1.10, "Subcontractor List" of the Standard Specifications, A1 - Notice To Bidder, A5 – Proposal, and A7 – General Provisions.

NAME	LOCATION OF BUSINESS	LICENSE NO.	CONTRACTOR REGISTRATION NO.	PORTION OR TYPE OF WORK
Amijot Trucking	23842 Cabot Blvd Hayward CA 94545	N/A	DIR # 1000564734	Trucking
ABSL Construction	29393 Pacific St Hayward CA 94544	CSLB # 621781	DIR # 1000002818	Milling
Pacific Northwest Oil	PO Box 6930 Stockton CA 95206	CSLB # 705296	DIR # 1000377635	Track Truck
Specialized Pavement Marking	6868 Avenue 305, Goshen, CA 93227	CSLB . # 854894	DIR # 1000886659	Striping
St. Francis Electric	975 Carden St San Leandro Ca. 94577	CSLB # 1003811	DIR # 1000022208	Loop Detector
VSS	3785 CHANNEL DRIVE, WEST SACRAMENTO, CA 95691	CSLB # 293727	DIR # 1000001231	Slurry
Graham Contractor Inc.	PO Box 26770 San Jose CA 95159	CSLB # 315789	DIR # 1000898576	Crack Seal

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA
A9 – PUBLIC CONTRACT CODE SECTION 10162 QUESTIONNAIRE

In conformance with Public Contract Code Section 10162, the Bidder shall complete, under penalty of perjury, the following questionnaire:

Has the bidder, any officer of the bidder, or any employee of the bidder who has a proprietary interest in the bidder, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes _____ No _X_

If the answer is yes, explain the circumstances in the following space.

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA

A10 – PUBLIC CONTRACT CODE 10232 STATEMENT

In conformance with Public Contract Code Section 10232, the Contractor, hereby states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board.

Note: The above Statement and Questionnaire are part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Statement and Questionnaire.

Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

A11 - PUBLIC CONTRACT CODE SECTION 10285.1 STATEMENT

In conformance with Public Contract Code Section 10285.1 (Chapter 376, Stats. 1985), the bidder hereby declares under penalty of perjury under the laws of the State of California that the bidder has ___ , has not X been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or Federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term "bidder" is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as referred to in Section 10285.1.

Note: The bidder must place a check mark after "has" or "has not" in one of the blank spaces provided. The above Statement is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Statement. Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA

A12 – NONCOLLUSION AFFIDAVIT

(Title 23 United States Code Section 112 and Public Contract Code Section 7106)

to the

CITY OF SCOTTS VALLEY
DEPARTMENT OF PUBLIC WORKS

In conformance with Title 23 United States Code Section 112 and Public Contract Code 7106 the bidder declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Noncollusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Noncollusion Affidavit.

Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA
A13 - BIDDER'S BOND

KNOW ALL PEOPLE BY THESE PRESENTS THAT WE, Rapid Grading Services

,as PRINCIPAL, and

The Ohio Casualty Insurance Company as SURETY, are held

and firmly bound unto the CITY OF SCOTTS VALLEY, State of California, hereinafter called CITY, in the penal sum of TEN PERCENT (10%) OF THE TOTAL AMOUNT OF THE BID of the Principal above named, submitted by said Principal to CITY, for the work described below for the payment of which sum in lawful money of the United States, will and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents. In no case shall the liability of the surety exceed the sum of 10% of the total amount of the bid Dollars ($ 10% of the total amount of the bid).

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted the above-mentioned bid to CITY for certain construction specifically described as follows for which bids are to be opened at Scotts Valley, California on May 23rd, 2025 for the construction of the

Public Works Project No. P25-001
Street Resurfacing and Pavement Repair Project

NOW, THEREFORE, if the aforesaid Principal shall not withdraw said bid within the period specified therein after the opening of the same, or, if no period be specified, within sixty (60) days after said opening, and shall within the period specified therefore, or, if no period be specified therefore, within ten (10) days after the prescribed forms are presented to aforesaid Principal for signature, enter into a written contract with CITY, in the prescribed form in accordance with the bid as accepted, and file the two bonds with C ITY, one to guarantee faithful performance and the other to guarantee payment for labor and materials, as required by law, then this obligation shall be null and void; otherwise, it shall be and remain in full force and virtue.

In the event suit is brought upon said bond by CITY, and judgment is recovered, the Surety shall pay all costs incurred by CITY in such suit, including a reasonable attorney's fees to be fixed by the Court.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 15th day of May, 2025.

(seal) Jaduinder Singh
Rapid Grading Services Principal

(seal) Jody Nelson
Jody Nelson, Attorney-In-Fact Surety

Address:

(NOTE: Signature of those executing for the Surety shall be properly acknowledged, and accompanied by a Certificate of acknowledgment.)

POWER OF ATTORNEY

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: **8213984 - 980101**

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Alexander Raynolds, Amanda Rodriguez, Andrea Hering, Anna Paganelis, Bill Frangieh, Charlene Reynolds, David Homer, Dmitriy Lazarev, James Untiedt, Jennifer Mullins, Jody Nelson, Joe Longwello, Joseph Velaquez, Laura Whitley, Madeline Michaels, Mahmud M. Ischanov, Mark Veytser, Nick Del Biaggio, Robert Saint Amour, Timothy Walsh

all of the city of San Jose state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 6th day of May, 2025.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: _____
Nathan J. Zangerle, Assistant Secretary

State of PENNSYLVANIA
County of MONTGOMERY ss

On this 6th day of May, 2025 before me personally appeared Nathan J. Zangerle, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2029
Commission number 1126044
Member, Pennsylvania Association of Notaries

By: _____
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS: Section 12. Power of Attorney.
Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts: Section 5. Surety Bonds and Undertakings.
Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes Nathan J. Zangerle, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 15 day of May, 2025.

By: _____
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.

LMS-12873 LMIC OCIC WAIC Multi Co 02/24

CALIFORNIA ACKNOWLEDGMENT CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Clara

On May 15 2025 before me, C Reynolds, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Jody Nelson
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

C. REYNOLDS
Notary Public - California
Santa Clara County
Commission # 2418774
My Comm. Expires Oct 22, 2026

Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
■ Corporate Officer – Title(s): _____
■ Partner – ■ Limited ■ General
■ Individual ■ Attorney in Fact
■ Trustee ■ Guardian or Conservator
■ Other: _____
Signer is Representing: _____

Signer's Name: _____
■ Corporate Officer – Title(s): _____
■ Partner – ■ Limited ■ General
■ Individual ■ Attorney in Fact
■ Trustee ■ Guardian or Conservator
■ Other: _____
Signer is Representing: _____

©2019 National Notary Association

BOND NO. _____

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA

BOND FOR FAITHFUL PERFORMANCE

WHEREAS, the City Council of the City of Scotts Valley, State of California, and **Rapid Grading Services**, (herein designated as "Contractor") have entered into an agreement whereby contractor agrees to install and complete certain designated public improvements, which said agreement dated **May 29, 2025** identified as **Construction Agreement**, (the "Agreement") is hereby referred to and made a part hereof; and

WHEREAS, Contractor is required under the terms of the Agreement to furnish a bond for the faithful performance of the Agreement.

NOW, THEREFORE, WE, the principals and _____, as surety, are held and firmly bound unto the City of Scotts Valley, hereinafter called "City", in the penal sum of _____ Dollars ($_____) lawful money of the United States for the payment of which sum, well and truly made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if above-bounded Contractor, or their heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said Agreement and any alteration thereof made as therein provided, on their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

The surety shall provide City with thirty (30) days' written notice of Contractor's default prior to the surety terminating, suspending or revoking the bond.

IN WITNESS WHEREOF, this instrument has been duly executed by the principals and surety above names, on _____, 20__.

_____	_____ Surety
_____	_____ Attorneys in Fact
_____	_____ Principal
_____	_____ Principal

BOND NO. _____

CITY OF SCOTTS VALLEY
STATE OF CALIFORNIA

BOND FOR SECURITY OF LABORERS AND MATERIAL PERSON

WHEREAS, the City Council of the City of Scotts Valley, State of California, and **Rapid Grading Services**, (herein designated as "principals") have entered into an agreement whereby principals agrees to install and complete certain designated public improvements, which said agreement dated **May 29, 2025**, and identified as **Construction Agreement**, (the "Agreement") is hereby referred to and made a part hereof; and

WHEREAS, under the terms of said Agreement, principals are required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Scotts Valley to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

NOW, THEREFORE, said principals and the undersigned as corporate surety, are held firmly bound unto the City of Scotts Valley and all contractors, subcontractors, laborers, material person and other persons employed in the performance of the aforesaid Agreement and referred to in the aforesaid Civil Code in the sum of **One Million, Five Hundred, Forty-Five Thousand Dollars ($1,545,000.00)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the same in an amount not exceeding the amount herein above set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees including reasonable attorney's fees, incurred by City in successfully enforcing such obligation to be awarded and fixed by the Court and to be taxed as costs and to be included in the judgment therein rendered.

IT IS HEREBY EXPRESSLY STIPULATED AND AGREED that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 Division 3 of the right to action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. Surety shall provide City with thirty (30) days' written notice of Principal's default prior to Surety terminating, suspending or revoking the bond.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said Agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by the principals and surety above names, on _____, 20__.

_____	_____ Surety
_____	_____ Attorneys in Fact
_____	_____ Principal

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Rodolfo Onchi, Public Works Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Fiscal Year 2025 - 2026 SB 1 Projects**

SUMMARY OF ISSUE

On April 28, 2017, the Governor signed Senate Bill (SB) 1, which is known as the Road Repair and Accountability Act of 2017. SB 1 was passed by the legislature as a means of providing additional funding for basic road maintenance, rehabilitation and critical safety needs on both state highways and local streets and road system. SB 1 increases per gallon fuel excise taxes, diesel fuel excise taxes and vehicle registration fees, and provides for adjustments for inflation in future years.

The California Transportation Commission (CTC) has set July 1st, 2025, as the deadline for cities to submit a list of projects to be funded with Road Maintenance and Rehabilitation Account (RMRA) funds. The City expects to receive approximately $316,652 in FY 2025/26. As part of the proposed FY 2025/26 Capital Improvement Program (CIP), staff recommends the following project/s be funded with RMRA funds:

STREET NAME	LOCATION	TREATMENT
Granite Creek Overcrossing	Granite Creek Rd between Scotts Valley Drive and Santa's Village Rd	Granite Creek Overcrossing improvements; e.g. pavement, sidewalk, retaining wall, guardrail, and traffic signal modifications.
Annual Street Maintenance/ Resurfacing	Hacienda Drive from Cumbre Lane to Glenwood Drive, Civic Center Drive, Tabor Way and Lundy Lane	Repair damaged areas, crack seal, surface seal, re-stripe
Scotts Valley Drive – Corridor Improvements	Scotts Valley Drive Mount Hermon Road to Bethany Drive	Pavement resurfacing and buffered bike lanes.

These projects are selected based on the City's 2023 Pavement Management Report. The

report lists the streets that need pavement preservation based on a PCI (pavement condition Index) classification. The PCI evaluates which streets are in the worst condition and allows staff to prioritize each location. These funds will provide funding for the streets addressed above as well as any shortfall in previously approved pavement projects.

Both previously proposed and adopted projects were initially individual projects which are now a part of the “Annual Street Maintenance/Resurfacing” project above.

The project list submitted to the CTC does not limit flexible use of funds, provided that funds are only used for eligible projects – the City can fund projects in a given year not on the project list or not fund projects that were on the project list. As required by SB1, the City will also prepare a report at the end of the fiscal year detailing the actual expenditure of SB1 funds during the year including the projects funded and the amount of funding expended.

FISCAL IMPACT

SB1 will provide RMRA funds totaling approximately $316,652. Fund allocations in FY 2025/26 will be used for project construction. RMRA funds are supplemental to current City funding sources.

STAFF RECOMMENDATION

Staff recommends that Council adopt Resolution No. 1946.7, a resolution of the City Council of the City of Scotts Valley incorporating a list of projects to be funded by SB-1: The Road Repair and Accountability Act for Fiscal Year 2025/26.

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1. SB1 2025-2026 – Resolution No. 1946.7

RESOLUTION NO. 1946.7

RESOLUTION ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2025/26 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Scotts Valley are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City of Scotts Valley must adopt by resolution a list of projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City of Scotts Valley, will receive an estimated $316,652 in RMRA funding in Fiscal Year 2025/26 from SB 1; and

WHEREAS, this is the 9th year in which the City of Scotts Valley is receiving SB 1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, the City of Scotts Valley has undergone a robust public process to ensure public input into our community's transportation priorities/the project list; and

WHEREAS, the City of Scotts Valley used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City of Scotts Valley maintain and rehabilitate street and roads throughout the City this year and similar projects into the future; and

WHEREAS, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an "at lower risk" condition and this revenue will help us increase the overall quality of our road system and over the next decade will keep our streets and roads in said condition; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND by the City Council of the City of Scotts Valley, as follows:

1. The foregoing recitals are true and correct.

2. The following list of newly proposed projects that will be funded in-part or solely with Fiscal Year 2025/26 Road Maintenance and Rehabilitation Account revenues:

   Project Title: Granite Creek Overcrossing
   Project Description: Granite Creek Overcrossing improvements; e.g. pavement, sidewalk, retaining wall**,** guardrail, and traffic signal modifications.
   Project Location: Granite Creek Rd between Scotts Valley Drive and Santa's Village Rd
   Estimated Project Schedule: Spring 2027 – Summer 2028

   Project Title: Annual Street **Maintenance/Resurfacing – FY25/26**
   Project Description: Repair damaged areas, crack seal, surface seal, re-stripe
   Project Location: Hacienda Drive from Cumbre Lane to Glenwood Drive, Civic Center Drive, Tabor Way and Lundy Lane.
   Useful Life: 8-10 Years
   Estimated Project Schedule: Spring 2025 – Summer 2025

   Project Title: Scotts Valley Drive – Corridor Improvements
   Project Description: Pavement resurfacing and buffered bike lanes.
   Project Location: Scotts Valley Drive Mount Hermon Road to Bethany Drive
   Useful Life: 7-10 Years
   Estimated Project Schedule: Spring 2026 – Summer 2026

3. The following previously proposed and adopted projects may also utilize Fiscal Year 2025-2026 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City of Scotts Valley is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

   Both previously proposed and adopted projects were initially individual projects, which are now a part of the “Annual Street Maintenance/Resurfacing” project above.

The above and foregoing resolution as duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of June, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:_____
Derek Timm, Mayor

Attest:

_____
Cathie Simonovich, City Clerk

AGENDA ITEM 2.
DATE: 6/4/2025

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Rodolfo Onchi, Public Works Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **Measure D Five-Year Plan (2025-2030)**

SUMMARY OF ISSUE

Passed in November 2016 by Santa Cruz County Voters, Measure D provides funding for efforts related to maintaining and improving local roads, including pavement, bicycle, and pedestrian infrastructure for a period of 30 years. As a part of the measure's accountability and transparency measures, each agency receiving funds is required to develop, update, hold a public hearing on, and adopt a five-year program of projects ("5-Year Plan") every year. 5-Year Plans are adjusted annually based on actual expenditures, updated revenue projections, proposed allowances to projects, updated project schedules, and updated cost estimates.

FISCAL IMPACT

Measure D will fund or partially fund projects on the 5-Year Plan, and will be used to help leverage additional grant funding by serving as local match.

STAFF RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 1923.8 approving the list of Measure D Projects for FY25-26 through FY29-30.

TABLE OF CONTENTS

1. FY 25-26 Measure D Resolution No. 1923.8
2. FY25-30 Measure D Project List

RESOLUTION NO. 1923.8

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE FY 2025/26 TO FY 2029/30 FIVE-YEAR PROGRAM OF PROJECTS TO BE FUNDED WITH MEASURE D REVENUES

WHEREAS, on November 8, 2016, the voters of Santa Cruz County adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure ("Measure D"), authorizing the Santa Cruz County Regional Transportation Commission ("RTC") to administer the proceeds from a retail transaction and use tax of one-half of one percent (0.5%); and

WHEREAS, sales tax proceeds from Measure D will be collected for 30 years beginning April 1, 2017, which are to be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance; and

WHEREAS, the Master Funding Agreement between RTC and the City of Scotts Valley articulates the terms and conditions of RTC's administration and direct allocation of proceeds to the City as authorized in the Measure D Expenditure Plan; and

WHEREAS, the Master Funding Agreement requires that the City Council annual adopt an annual report that includes a five-year program of projects including information about each of the projects to be funded with Measure D revenues after holding a public hearing; and

WHEREAS, the five-year program of projects is considered part of the City's Five-Year Capital Improvement Plan, which was published for public review on the City's website on May 30, 2025 and reviewed during a public hearing at the City Council's regular meeting on June 4, 2025; and

WHEREAS, the five-year program of projects, attached hereto and incorporated herein, lists the projects proposed by the City that are consistent with the Measure D Expenditure Plan.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the FY 2025/26 to FY 2029/30 Five-Year Program of Projects to be funded with Measure D revenues, attached hereto and incorporated herein, is approved.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

Measure D Five Year Plan

Measure D: 5-Year Program of Projects (FY25/26-FY29/30)
Agency: City of Scotts Valley
Expenditure Plan Category: Neighborhood Projects

Estimated Annual Measure D Allocations

Measure D Revenues

Rollover	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
$ 618,507	$ 380,000	$ 391,000	$ 403,000	$ 417,000	$ 429,000

Name/Road/Limits	Description, Complete Streets Components	Total Measure D	Amount of Measure D Funds to be Used: Rollover	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	Other Funds ($)	Other Fund Sources	Est. Construction Start Date	Major Project? (yes/no)
Scotts Valley Drive	Digouts, manholes, surface seal, ATP improvements	$ 550,000	$ 275,000	$ 275,000					$ 1,225,000	RTC, SB1, Gas Tax	Summer 25/26	yes
Mount Hermon Road Improvements	Digouts & crack seal & slurry & La Madronna intersection rework	$ 400,000	$ 200,000	$ 200,000					$ 523,000	RTC Grant	Summer 25/26	yes
Annual Street Maintenance	Annual street maintenance citywide consisting of surface seals, overlays and repairs	$ 1,176,840	$ 143,507	$ 500,000	$ 200,000		$ 333,333		$ 2,333,333	Gas Tax/ SB1	ongoing	yes
Janis Way Digout, Overlay, Sidewalk, Bike Lanes	Digout, Overlay, Sidewalk, Bike Lanes	$ 250,000				$ 250,000					Summer 28/29	no
Lockwood Lane *(Mt Hermon to City Limit)*	Digouts and overlay and striping and bike lanes	$ 100,000				$ 100,000					Summer 28/29	no
Estimated Annual Measure D Expenditures				$ 975,000	$ 200,000	$ 350,000	$ 333,333	$ -				
Carryover to next Fiscal Year			$ 618,507	$ 23,507	$ 214,507	$ 267,507	$ 351,174	$ 780,174				
Annual Interest Earnings on Measure D Revenues												

AGENDA ITEM 3.
DATE: 6/4/2025

City of Scotts Valley
CITY COUNCIL STAFF REPORT

DATE: 6/4/2025

TO: Honorable Mayor and City Council

FROM: Taylor Bateman, Community Development Director

APPROVED: Mali LaGoe, City Manager

SUBJECT: **A public hearing to consider the Planning Commission's recommendation to 1) amend the Scotts Valley Municipal Code Title 16 (Subdivisions), Title 17 (Zoning), General Plan Land Use and Mobility Elements, and SB 9 Standards to implement the 2023-2031 Housing Element of the General Plan; and 2) adopt an Addendum to the General Plan EIR for the proposed amendments in compliance with the California Enviornmental Quality Act (CEQA)**

SUMMARY OF ISSUE

In December of 2023, the City Council adopted the 2023-2031 Housing Element of the General Plan (Housing Element). The Housing Element identifies actions that the City must complete by the end of 2025 to remain in compliance with state housing laws. Among these actions are amendments to the Scotts Valley Subdivision Ordinance (Municipal Code Title 16), Zoning Code (Municipal Code Title 17), General Plan Land Use Element and Mobility Element, and SB 9 Public Health and Safety and Environmental Resource Protection Standards. Included in these amendments are rezonings to provide adequate sites to accommodate the City's regional housing needs allocation (RHNA) for the 2023-2031 Housing Element planning period.

PLANNING COMMISSION REVIEW

The Planning Commission held a study session on March 13, 2025, to provide preliminary input on the proposed amendments. On May 15, 2025, the Planning Commission reviewed the proposed amendments and recommended their adoption to the City Council. A discussion of the proposed amendments is provided in the attached Planning Commission staff report (Attachment 5). Attachment 1 of the Planning Commission staff report includes a red-lined version of the proposed amendments.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

To comply with the California Environmental Quality Act (CEQA), an Addendum to the General Plan Update EIR was prepared for the proposed amendments to implement the Housing Element. Under CEQA, the City may prepare an EIR Addendum if the proposed amendments would not create new or substantially more severe environmental impacts than analyzed in the

General Plan Update EIR. Attachment 1 Exhibit A provides the Draft EIR Addendum for the proposed amendments, which concludes that the amendments would not result in any significant impacts not considered under the General Plan Update EIR, and that additional environmental review of the amendments is not required.

PUBLIC NOTICE & COMMENT

On May 23, 2025, public hearing notices were posted at City Hall, the Scotts Valley Public Works Building, and the Scotts Valley Senior Center, and published on the Scotts Valley website and in the newspaper, consistent with State law. As of this date, no comments have been received.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

STAFF RECOMMENDATION

The Planning Commission recommends the City Council:

1. Adopt Resolution No. 1119.37 to adopt the Addendum to the General Plan Update EIR for the Proposed Amendments to implement the Housing Element.
2. Adopt Resolution No. 1119.38 to amend the General Plan to maintain consistency with the amended Zoning Code and clarify unit development regulations for properties accessed solely from Highway 17.
3. Adopt Ordinance No. 16.142.1 with amendments to Municipal Code Title 16 (Subdivisions) and Title 17 (Zoning) to implement the Housing Element.
4. Adopt Resolution No. 2046.1 to amend SB 9 Public Health and Safety and Environmental Resource Protection Standards.

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1. Attachment 1 - Resolution No. 1119.37 CEQA Addendum
2. Attachment 2 - Resolution No. 1119.38 General Plan Amendments 2025
3. Attachment 3 - Ordinance No. 16.142.1 Municipal Code Amendments 2025
4. Attachment 4 - Resolution No. 2046.1 SB 9 Standards
5. Attachment 5 - Planning Commission Staff Report 5-15-2025

RESOLUTION NO. 1119.37

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY APPROVING THE ADDENDUM TO THE GENERAL PLAN UPDATE EIR FOR THE PROPOSED AMENDMENTS TO IMPLEMENT THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN

WHEREAS, on November 29, 2023 the City Council certified the Environmental Impact Report (EIR) (SCH 2020070330) for the General Plan Update in compliance with the California Environmental Quality Act;

WHEREAS, on December 20, 2023, the City Council adopted the 2023-2031 Housing Element of the General Plan (Housing Element);

WHEREAS, the Housing Element contains programs that call for the City to amend Municipal Code Title 17 (Zoning Code) to implement Housing Element goals and policies;

WHEREAS, amendments to the Scotts Valley Municipal Code Title 17 (Zoning), Title 16 (Subdivisions), SB 9 Standards, and General Plan Land Use Element ("Proposed Amendments") were prepared to implement the Housing Element;

WHEREAS, an Addendum to the General Plan Update EIR was prepared for the Proposed Amendments in accordance with Section 15162 of the California Environmental Quality Act (CEQA) Guidelines. The EIR Addendum demonstrates that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the Proposed Amendments would not result in any significant impacts not considered under the original EIR;

WHEREAS, on May 15, 2025 the Planning Commission adopted Resolution No. 1804 recommending the City Council approve the Addendum to the General Plan Update EIR; and

WHEREAS, the City Council held a duly noticed public hearing on June 4, 2025 on the Addendum to the General Plan Update EIR at which the public were granted an opportunity to provide oral and written testimony.

NOW, THEREFORE, BE IT RESOLVED by City Council of the City of Scotts Valley as follows:

1. The above recitals are true and correct and incorporated herein by reference.

2. The City Council has reviewed and considered the Addendum to the General Plan Update EIR for the Proposed Amendments and finds that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred and that the Proposed Amendments would not result in any significant impacts not

considered under the original EIR. No supplemental or subsequent EIR is required because none of the circumstances requiring a supplemental or subsequent EIR exist (CEQA Guidelines Section 15162):

(a) No substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The proposed amendments do not create any additional environmental impacts.

(b) No substantial changes have occurred with respect to the circumstances under which the project is undertaken. No substantial evidence has been submitted showing any change in the circumstances applicable to the project.

(c) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, has been submitted to the City.

THE ABOVE AND FOREGOING RESOLUTION was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of June, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

EXHIBIT A

Addendum to the General Plan EIR
for the 6th Cycle Housing Element – 2025 Implementation Actions

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List of Appendices

None.

1 Introduction

The Scotts Valley General Plan 6th Cycle Housing Element 2023-2031 (Housing Element) requires that the City adoption and implementation of a number of amendments to the Zoning Ordinance to implement various Housing Element programs (the Project). The City of Scotts Valley has determined that the Project is subject to the guidelines and regulations of the California Environmental Quality Act (CEQA) and has prepared this Addendum to the City's General Plan EIR.

1.1 Statutory Authority and Requirements

This environmental document has been prepared in conformance with *CEQA* (*California Public Resources Code* [*PRC*] Section 21000 et seq.); *CEQA Guidelines* (*California Code of Regulations* [*CCR*], Title 14, Section 15000 et seq.); and the rules, regulations, and procedures for implementation of CEQA, as adopted by the City of Scotts Valley.

In accordance with *CEQA Guidelines* Sections 15051 and 15367, the City of Scotts Valley (City) is identified as the Lead Agency for the Project. This document has been prepared in accordance with CEQA Guidelines Sections 15164 (Addendum to an EIR on Negative Declaration) and 15168 (Program EIR) to explain the rationale for determining that the proposed 6th Cycle Housing Element 2023-2031 would not create any new or substantially more severe significant effects on the environment that were not analyzed in the Scotts Valley General Plan Update Environmental Impact Report (EIR).

In determining whether an Addendum is the appropriate document to analyze modifications to the General Plan EIR, CEQA Guidelines Section 15164 states:

a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
d) The decision-making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's required findings on the project, or elsewhere in the record. The explanation must be supported by

substantial evidence.

Since the Scotts Valley General Plan EIR has been certified, the environmental impacts of subsequent activities proposed under the General Plan must be examined in light of the impact analysis in the certified EIR to determine if additional CEQA documentation must be prepared. One of the standards that applies is whether, under Public Resources Code Section 21166 and CEQA Guidelines Sections 15162, there are new significant effects or other grounds that require preparation of a subsequent EIR in support of further agency action on the project. Under these guidelines, a subsequent EIR shall be prepared if any of the following criteria are met:

a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:
    1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects;
    2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; or
    3) New information of substantial importance, which was not known and count not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
        A. The Project will have one or more significant effects not discussed in the previous EIR or negative declaration;
        B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
        C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
        D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

As demonstrated in the environmental analysis contained herein in the Addendum, none of the conditions that had been analyzed in the Scotts Valley General Plan EIR would change with adoption of the proposed 6th Cycle Housing Element 2023-2031. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified in the environmental analysis.

The environmental documentation (supported by the Initial Study, below), which is ultimately selected by the City in accordance with *CEQA*, is intended as an informational document undertaken to provide an environmental basis for subsequent discretionary actions relevant to the project. The resulting documentation is not, however, a policy document and its approval and/or certification neither presupposes nor mandates any actions on the part of those agencies from whom permits and other discretionary approvals would be required.

1.2 Purpose of an Initial Study

The purposes of an Initial Study are to:

1. Identify environmental impacts;
2. Provide the lead agency with information to use as the basis for deciding whether to prepare an EIR or a negative declaration;
3. Enable an applicant or lead agency to modify a project, mitigating adverse impacts before an EIR is required to be prepared;
4. Facilitate environmental assessment early in the design of the project;
5. Document the factual basis of the finding in a negative declaration that a project would not have a significant environmental effect;
6. Eliminate needless EIRs;
7. Determine whether a previously prepared EIR could be used for the project; and
8. Assist in the preparation of an EIR, if required, by focusing the EIR on the effects determined to be significant, identifying the effects determined not to be significant, and explaining the reasons for determining that potentially significant effects would not be significant.

   CEQA Guidelines Section 15063 identifies specific disclosure requirements for inclusion in an Initial Study. Pursuant to those requirements, an Initial Study shall include:

   - A description of the project, including the location of the project
   - Identification of the environmental setting
   - Identification of environmental effects by use of a checklist, matrix, or other method, provided that entries on a checklist or other form are briefly explained to indicate that there is some evidence to support the entries

- Discussion of ways to mitigate significant effects identified, if any
- Examination of whether the project is compatible with existing zoning, plans, and other applicable land use controls
- The name(s) of the person(s) who prepared or participated in the preparation of the Initial Study

9. With regards to the context of an Addendum, the Initial Study serves as the basis for substantial evidence that none of the elements of CEQA Guidelines Section 15162 requiring a subsequent EIR are triggered.

1.3 Responsible and Trustee Agencies

Certain projects or actions undertaken by a Lead Agency require subsequent oversight, approvals, or permits from other public agencies in order to be implemented. Such other agencies are referred to as Responsible Agencies and Trustee Agencies. Pursuant to *CEQA Guidelines* Sections 15381 and 15386, as amended, Responsible Agencies and Trustee Agencies are respectively defined as follows:

"Responsible Agency" means a public agency, which proposes to carry out or approve a project, for which [a] Lead Agency is preparing or has prepared an EIR or Negative Declaration. For the purposes of *CEQA*, the term "responsible agency" includes all public agencies other than the Lead Agency, which have discretionary approval power over the project. (Section 15381)

"Trustee Agency" means a state agency having jurisdiction by law over natural resources affected by a project, which are held in trust for the people of the State of California. Trustee Agencies include; The California Department of Fish and Wildlife, The State Lands Commission; The State Department of Parks and Recreation and The University of California with regard to sites within the Natural Land and Water Reserves System. (Section 15386)

For this project, the City of Scotts Valley is the Lead Agency and has the sole responsibility of processing and approving the project. There are no Responsible or Trustee Agencies that have oversight, approval, or permit responsibility associated with the project, or require consultation with the City of Scotts Valley. In addition, no other agency is required to approve the Housing Element, but it has been reviewed by the California Department of Housing and Community Development for the purpose of determining whether it complies with the requirements of State Housing Element law.

1.4 Incorporation By Reference

Pertinent documents relating to this Initial Study have been cited in accordance with CEQA Guidelines Section 15150, which encourages incorporation by reference as a means of reducing

redundancy and length of environmental reports. The following documents are hereby incorporated by reference into this EIR. Information contained within these documents has been utilized for this Initial Study. These documents are available for review at the City of Scotts Valley Community Development Department, and online.

1.4.1 Scotts Valley General Plan

The Scotts Valley General Plan (General Plan) is the City's "blueprint" for all future development and conservation within the community. The General Plan is organized into four main categories. These categories and their respective General Plan element(s) are shown below:

	General Plan Category	General Plan Element(s)
	Built Environment	Land Use Economic Development Housing
	Mobility	Mobility
	Natural Environment	Open Space & Conservation Environmental Review [1]
	Community	Community Services & Facilities Public Safety & Noise

Each element, within the four categories, contains a brief background section, following by a set of goals, policies and actions.

CEQA Review

Chapter 8 Environmental Review, in combination with other elements of the General Plan document, serves as the Draft EIR (DEIR) for the project and provides the environmental information and analysis and primary California Environmental Quality Act (CEQA) documentation necessary to adequately consider the effects of the updated General Plan. The update did not incorporate major changes in land use (i.e., General Plan Land Use designations) and brought the City's General Plan in compliance with current State Law. It also incorporated policies designed to minimize environmental impacts (i.e., "self-mitigating).

To minimize the need to re-analyze future development projects related to SVGP, CEQA encourages using a general plan EIR to address subsequent discretionary projects, such as adopting zoning ordinances and specific plans and approving capital improvement or development projects that are consistent with the general plan. This streamlined approach to environmental review is commonly called "tiering" (CEQA Guidelines §15152). By using a tiered approach, the environmental review for a subsequent project can be limited to those project-specific significant effects that either were not examined or not examined fully in SVGP Program EIR. Later activities that have been described adequately under the SVGP Program EIR will not require additional environmental documents.

When necessary, new environmental documents, such as a subsequent or supplemental EIR or a negative declaration, will focus on the project-specific impacts of later activities, filling in the information and analysis missing from the SVGP Program EIR. Similarly, CEQA offers the ability for projects that are consistent with the development density established by general plan policies for which an EIR was certified to evaluate only project-specific significant effects particular to the project or its site (CEQA Guidelines §15183).

The General Plan EIR reviewed the following topics: Aesthetics, Air Quality, Biological Resources, Cultural and Tribal Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise and Vibration, Population and Housing, Public Services and Utilities, Transportation, and Wildfire.

Significant Unavoidable Impacts

A significant and unavoidable impact was identified for Impact AQ-3 regarding a cumulatively considerable net increase in criteria pollutants. The most recent AMBAG 2018 Population, Housing Unit, and Employment Forecasts project population growth in five-year increments to the year 2040. The 2040 population forecast for the City of Scotts Valley by AMBAG is 12,418 persons. Since the General Plan assumes a population buildout of 15,400 (see Table LU-1: General Plan Buildout Summary), the General Plan would be inconsistent with the AQMP. This inconsistency in population forecasts is considered to result in a cumulatively considerable significant air quality impact. Due to the projected population growth, regional emissions would remain significant, and the General Plan would likely remain inconsistent with the AQMP. No further mitigation is feasible to reduce this impact. Therefore, this impact would remain *significant and unavoidable*.

A significant and unavoidable impact was also identified for Impact T-1 regarding the exceedance of VMT thresholds. While Impact T-1 identifies goals and policies in the Mobility Element, and the City's *VMT Implementation Guidelines* identifies strategies to reduce VMT, impacts associated with implementation of the General Plan would not be reduced to less than significant due to the increased development, new roadways, and increased use of the City's and regional transportation system. While project-level impact mitigation shall be analyzed to

reduce the significance of VMT-related impacts and the City VMT Implementation Guidelines will be continually improved and innovated to require VMT reduction to the extent feasible, this impact would be *significant and unavoidable*.

Less Than Significant Impacts

No other significant impacts were identified in the EIR. This is due to the fact that this General Plan is a programmatic policy document and does not propose specific development projects. Furthermore, where potential significant impacts were initially identified, additional policies were added to the General Plan to “pre-mitigate” such impacts. Lastly, the City of Scotts Valley is a compact urban community that is surrounded by natural barriers to outward expansion. As described in the Land Use Element, developable areas within the City limits are largely built out. As an established community, new development accommodated by the General Plan would be considered infill development, both on limited remaining vacant lands or intensification and/or redevelopment on underutilized parcels.

On November 23, 2023, the Scotts Valley City Council adopted the General Plan to replace the City's previous 1994 General Plan. The Council also adopted a Statement of Overriding Considerations for significant, unavoidable impacts.

1.4.2 Scotts Valley Housing Element

The Housing Element is one of seven mandated elements of the City’s General Plan. It identifies the current and future housing needs of the City with proposed actions to facilitate the provision of housing to meet those needs at all income levels. Updates to the Housing Element are required by State law every eight years and reflects the State’s housing goal of "attaining decent housing and a suitable living environment for every California family," as well as incorporating the unique concerns of the community. The Housing Element includes programs with actions that the City must complete within a specified timeframe.

For the 6th Cycle, the City of Scotts Valley was allocated a total of 1,220 housing units (also known as the City’s Regional Housing Need (RHNA)). The Housing Element update is required to identify strategies and exact parcels to accommodate the entirety of RHNA.

On December 20, 2023, the City Council adopted the City’s 6th Housing Element (2023-2031). The Housing Element was subsequently certified by the California Department of Housing and Community Development (HCD) on April 2, 2024.

CEQA Review

The Housing Element was determined by the City, acting as the Lead Agency, to be exempt from further CEQA review per Section 15061(b)(3), given the project consists of activities covered by the “common sense exemption” that CEQA allows when a project would not cause a significant effect on the environment.

This was based on the finding that the Housing Element would not result in any direct or indirect physical changes to the environment. The Housing Element is a policy document and does not provide entitlements to any specific land use projects. It does not make any changes to the General Plan land use map and does not modify any land use designations, allowed densities, or land use intensities currently established in the General Plan. It neither entitles, proposes, nor otherwise requires the construction of new development or rehabilitation of existing development, nor does it change the rate or location of new development.

Rather, the goals, policies, and programs established by the Housing Element only facilitate the development, preservation, and rehabilitation of housing consistent with existing and planned uses, as identified in the General Plan and as mandated under State law. As such, the impacts of the proposed 6th Cycle Housing Element were addressed by the EIR that was certified by the City Council for the General Plan (11/29/23). The proposed modifications to the Housing Element did not create any impacts on the environment that were not previously evaluated as part of the General Plan.

1.4.3 Scotts Valley Municipal Code

The Scotts Valley Municipal Code (Municipal Code), consists of codes and ordinances adopted by the City. These include standards intended to regulate land use, development, health and sanitation, water quality, public facilities, and public safety.

On December 4, 2024, the City Council adopted various Zoning Ordinance amendments that were required by the Housing Element to be completed in 2024. These amendments addressed accessory dwelling units, by-right development, design review criteria, and other topics. The City determined that these amendments were exempt from further CEQA review per Section 15061(b)(3), covered by the “common sense exemption” that CEQA allows when a project would not cause a significant effect on the environment.

The Housing Element requires the City to complete additional Zoning Ordinance amendments in 2025. These include amendments to remove residential development constraints, incentivize development on large lots, incentivize lot consolidation, implement fair housing laws, and other topics. Further amendments that must be completed in 2026 include housing opportunity site rezoning and inclusionary housing ordinance revisions.

Based on the CEQA Guidelines, this Addendum analyzes the potential environmental impacts associated with these amendments.

2 Project Background and Context

2.1 Project Location

Scotts Valley is located in north Santa Cruz County and is bisected by Highway 17. The City is located just a short distance from the Monterey Bay, nestled in the redwoods on the upland slope of the Santa Cruz Mountains. It is approximately six miles north of Santa Cruz, 30 miles southwest of San Jose and 68 miles south of San Francisco (see Figure 1 Regional Location).

2.2 Environmental Setting

Since incorporation in 1966, the City of Scotts Valley has evolved as a balanced community with family-oriented residential neighborhoods, innovative light-industrial and manufacturing businesses, and strong retail/services corridors along Mount Hermon Road and Scotts Valley Drive. The City's topography reinforces the notion of a community in a valley, surrounded by forested hills and scenic landscapes.

The City of Scotts Valley is comprised of approximately 4.6 square miles. Land uses in the City includes residential, commercial, industrial, open space, and civic (government) uses. A large majority (72% of total land area) of Scotts Valley is designated residential, which includes both single and multiple-family residences, apartments and condominiums and mobile home parks.

2.3 General Plan and Zoning Designations

Not Applicable (Citywide)

2.4 Purpose and Organization of the Housing Element

The Scotts Valley 6th Cycle Housing Element 2023-2031 (Housing Element) represents an update of the City's 2015-2023 Housing Element. The Housing Element is an integral component of the City's General Plan, as it addresses existing and future housing needs of all types for persons of all economic segment groups in the City. The Housing Element serves as a tool for decision-makers and the public in understanding and meeting housing needs in Scotts Valley. While the law does not require local governments to actually construct housing to meet identified needs, it does allow the City to plan for and accommodate the construction of housing as may be proposed by future development projects.

The Housing Element is one of the seven mandatory elements of a General Plan. Through policies, procedures, and incentives, it provides an action-plan for maintaining and expanding the housing supply in the City of Scotts Valley. The Housing Element consists of the following Chapters and Appendices:

- Chapter 1: Introduction

- Chapter 2: Housing Plan
- Appendix A: Review of Past Performance
- Appendix B: Housing Needs Assessment
- Appendix C: Housing Constraints
- Appendix D: Housing Resources
- Appendix E: Affirmatively Furthering Fair Housing (AFFH)
- Appendix F: Candidate Sites Inventory
- Appendix G: Summary of Community Engagement
- Appendix H: Glossary

Scotts Valley's Housing Element for the 6th cycle planning period of June 30, 2023 to December 15, 2031 describes policies and programs that include:

- Identification and analysis of existing and projected housing needs, resources, and constraints;
- A statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement and development of housing;
- Identification of adequate sites for housing; and
- Adequate provision for existing and projected needs of all economic segments of the community.

Pursuant to Government Code Section 65583, the Housing Element contains four basic parts:

1. Analysis of demographic, social, and housing characteristics, current and future housing needs due to population growth and change, and other factors affecting housing needs;
2. Analysis of governmental and nongovernmental constraints that affect the development, maintenance, and improvement of housing for all income groups and people with disabilities;
3. Inventory of resources available to address the City's housing needs, including available land for housing, as well as the financial resources and administrative capacity to manage housing programs; and
4. Specific actions or programs to address the development, improvement, and conservation of housing to meet current and future needs. This includes goals, policies, and specific housing programs.

2.5 Regional Housing Needs Assessment

California Government Code Article 10.6, Section 65580 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in suitable living environments for all communities to meet statewide goals. The 6th Cycle Housing Element 2023-2031 is a statement by the City of Scotts Valley of its current and future housing needs identified in a policy document that sets forth the City's goals, policies, and programs to address those identified needs.

Specifically, Government Code Section 65580 states the housing element shall consist of "…an identification and analysis of existing and projected housing needs and a statement of goals, polices, quantified objectives, financial resources and scheduled programs for the preservation, improvement, and development of housing." The housing element must also contain a housing plan with quantified objectives for the implementation of the goals and objectives described in the housing element. State law requires the housing element be updated every eight years or as otherwise required by State law.

Government Code Article 10.6, Section 65589 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in all communities to meet statewide goals. This Addendum and supporting Initial Study evaluates the environmental effects of the adoption and implementation of the Scotts Valley 6th Cycle Housing Element. The planning period is from June 30, 2023 through December 15, 2031.

Government Code Section 65583 requires that housing elements include the following components:

- A review of the previous element's goals, policies, programs, and objectives to ascertain the effectiveness of each of these components, as well as the overall effectiveness of the Housing Element;
- An assessment of housing needs and an inventory of resources and constraints related to the meeting of these needs;
- An analysis and program for preserving assisted housing developments;
- A statement of community goals, quantified objectives, and policies relative to the preservation, improvement and development of housing; and,
- A program which sets forth an eight-year schedule of actions that the City is undertaking or intends to undertake, in implementing the policies set forth in the Housing Element.

California housing element law requires that each city and county develop local housing programs designed to meet their "fair share" of housing needs for all income groups. The California Department of Housing and Community Development (HCD), Housing Policy Division

develops the Regional Housing Needs Assessments (RHNA) for each region of the State, represented by councils of governments.

The Association of Monterey Bay Area Governments (AMBAG) determines the housing allocation for each city and county within its three-county jurisdiction, which includes Santa Cruz County. The City's RHNA is divided into four income categories, which is based on the Santa Cruz County HUD Area Median Family Income (HAMFI) for an assumed family of four, as shown in Table 1 Regional Housing Needs Allocation 2023-2031. The RHNA covers the period of June 30, 2023 through December 15, 2031.

Table 1 Regional Housing Needs Allocation 2023-2031 by Income Category

Income Category	Percent of HUD Area Median Family Income (HAMFI)	Number of Units (per RHNA)
Very Low-Income	0-50% HAMFI	392
Low-Income	51-80% HAMFI	257
Moderate-Income	81-120% HAMFI	154
Above Moderate-Income	>120% HAMFI	417
Total RHNA		**1,220**

*The Scotts Valley AMI is $119,300 for a family of four, according to the 2022 HCD Income Limits.

2.6 Residential Sites Inventory

The inventory is detailed in Appendix F: Candidate Sites Inventory of the Scotts Valley 6th Cycle Housing Element 2023-2031.

Table 2 6th Cycle RHNA Sites Inventory Analysis shows the City's ability to accommodate the 6th Cycle RHNA by income category through a variety of methods, including those listed below. Figure 2 6th Cycle Housing Element Sites Inventory – All Sites illustrates the location of the sites throughout Scotts Valley. The inventory includes:

- Current capacity on residentially-zoned sites;
- Projects currently in the City's review pipeline;
- Accessory dwelling unit (ADU) projections; and,
- Rezone strategies to accommodate the remaining RHNA.

Table 2 6th Cycle RHNA Sites Inventory Analysis

Strategies		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
6th Cycle RHNA		392	257	154	417	1,220
Existing Residential Capacity		11		6	66	83
Pipeline Projects		51		13	353	417
Projected ADUs		24		12	4	40
Town Center Specific Plan		427		39	191	657
Rezones	Residential	103		24	137	264
	Mixed Use	280		74	351	705
Total		**896**		**168**	**1,102**	**2,166**
Percent Over RHNA		**38%**		**9%**	**164%**	**78%**

The 6th Cycle Housing Element 2023-2031 identifies sites evaluated previously for potential environmental impacts in the Scotts Valley General Plan EIR (2024). The 6th Cycle Housing Element 2023-2031 Update identifies a range of inventoried sites that could be developed to meet the City's 6th cycle RHNA throughout Scotts Valley. Some of these sites may differ from those identified in the Scotts Valley General Plan and require land use changes (rezones) that would allow for increased density or other provisions. These rezones are the basis for this CEQA analysis and are described below.

Government Code Section 65583 (c)(1)(A) states that cities have up to three years from the time a Housing Element is adopted to rezone sites, including adoption of minimum density and development standards. The sites inventory yields housing units that provide more than 100 percent of the RHNA requirements. Furthermore, each future development proposal associated with implementation of the Housing Element would be subject to environmental analysis, as applicable, pursuant to CEQA Guidelines Section 15168(c) and as required by State law, to evaluate potential impacts specific to that proposal.

3 Project Description

The Project includes amendments to Scotts Valley General Plan and the Scotts Valley Municipal Code (SVMC) to bring the City into compliance with their Housing Element. These include: 1) Rezone 35 residential and mixed-use parcels (Rezone Sites); 2) Revise relevant residential development standards; 3) Revise relevant standards to conform to Housing Element Program H-3.2 Affirmatively Furthering Fair Housing; and 4) Incorporate other various amendments required as part of the Housing Element implementation. These amendments (the Project) are described below.

3.1 Rezone Sites to Meet the RHNA

To provide adequate sites, Housing Element Program H-1.1 requires the City to rezone 35 properties (Rezone Sites) to allow a residential density of 40 units per acre. As shown in Figures 3 Residential Rezone Sites and Figure 4 Mixed-Use Rezone Sites, seven of these sites are "residential rezones" and 28 sites are "mixed-use rezones."

For a residential rezone site, the City must allow residential-only development (no commercial component required). For a mixed-use rezone site, the City may require residential development to include a commercial component but must allow projects with up to 70 percent residential floor area.

On all rezone sites, the City must permit up to 40 dwelling units per acre with development standards (e.g., building height, lot coverage, setbacks) that allow for this density. All but three of the rezone sites are currently zoned Service Commercial (C-S). Additional information about the sites can be found in Housing Element Appendix F.

In 2024, the City adopted Zoning Ordinance amendments to create a new Housing Element Opportunity Site (HE) Combing District. The HE Combining District, found in Chapter 17.41 of the SVMC, establishes a by-right permitting process for Housing Element sites required by state law. The HE Combining District applies to the Rezone Sites.

3.1.1 Proposed Rezone Sites Amendments

To implement Housing Element Program H-1.1, the proposed Zoning Code Amendments include the following changes to Chapter 17.41 Housing Element Opportunity Site Combining District:

- **Permitted Uses**: Allows multifamily dwellings as a permitted use in the HE combining district. On mixed-use rezone sites, residential uses must occupy less than 70 percent of the total gross square feet on the property. On all other sites, residential-only development (no commercial uses on site) is allowed.

- **Development Standards**: Up to 40 dwelling units per acre and 60 percent building coverage is allowed on rezone sites. Building heights greater than 35 feet permitted for pitched roofs and vertical mixed-use buildings.
- **Deviations**: Deviation from development standards is allowed if necessary to accommodate permitted density on the site.

These proposed Zoning Code Amendments also require revisions to the General Plan Land Use Element, Table LU-2: General Plan Land Use Designations. Specifically, if would add notes "(3)" pertaining to "Residential Density / Commercial Building Coverage" and "(4)" pertaining to "Potential Land Uses" as follows:

(3) On sites listed in Housing Element Table F-10: Scotts Valley 6th Cycle Candidate Sites, the residential density, commercial building coverage, and potential land uses are as permitted in the Housing Element.

(4) In the Mixed Use Rezone sites listed in Housing Element Table F-10, residential uses must consist of no more than 70 percent of the total gross square feet of the development. On Residential Rezone sites, there is no limit on the percent of development floor area that may be residential (i.e., residential-only development is allowed).

These Amendments would affect seven parcels (8.7 acres), identified in Figure 3 Residential Rezone Sites, to permit residential uses ranging up to a density of 40 dwelling units per acre, accommodating 264 units, including 103 lower income units. They would also affect 28 parcels (32.2 acres), identified in Figure 4 Mixed-Use Rezone Sites, to permit mixed-use developments ranging up to a density of 40 dwelling units per acre with up to 70 percent residential, accommodating 705 units, including 280 lower income units.

The proposed new development standard would reduce the existing commercial use requirement on these sites from 50 to 30 percent. Analysis of development standards in the Housing Element concluded that this reduction to 30 percent would help facilitate housing development. In addition, proposed lot consolidation incentives (discussed below) would allow residential-only development on the mixed use rezone sites for qualifying 100 percent affordable development projects.

These amendments would not apply to any parcels located in the Town Center Specific Plan area.

3.2 Citywide Residential Development Constraints

Housing Element Program H-1.6 requires the City to study existing residential development standards and to determine if these standards are a potential constraint to housing production.

Program H-1.6 also states that the City shall adopt Zoning Ordinance amendments, if needed, to address and remove these constraints. These amendments would apply citywide in all areas, including the HE Combining District.

Residential development standards include maximum density, minimum lot size and dimensions, minimum setbacks, maximum building and site coverage, maximum building heights, and minimum on-site parking.

Housing Element Appendix C analyzes governmental constraints to housing production in Scotts Valley, including development standards in the Zoning Ordinance. This analysis concludes that the minimum building coverage standard on C-S and C-SC properties (45 percent and 35 percent, respectively) would constrain mixed-use housing development to 20 units per acre. Required multifamily parking (two parking spaces per multifamily unit, plus one guest space per five units) would constrain multifamily and mixed-use development to 20 units per acre. Other development standards would not constrain residential development at permitted densities.

3.2.1 Proposed Amendments

To implement Housing Element Program H-1.6, Sections 17.20.040 and 17.22.040 would be amended to increase the maximum building coverage outside of the HE Combining District from 45 percent to 50 percent in the Service Commercial (C-S) zone and from 35 percent to 50 percent in the Shopping Center (C-SC) zone. Within the HE Combining District, the maximum permitted building coverage would be 60 percent to allow for development at 40 units per acre.

The proposed amendments also includes revisions to Section 17.44.030 to reduce the number of required parking spaces for multi-family dwellings to one space for studios and one-bedroom units, 1.5 spaces for two-bedroom units, and two spaces for units with three or more bedrooms.

3.3 Affirmatively Furthering Fair Housing (AFFH)

Housing Element Program H-3.2 requires the City to “affirmatively further fair housing” by taking actions to overcome patterns of segregation and increase access to opportunities for all residents. Program H-3.2 requires changes to development regulations that apply uniquely in “racially concentrated areas of affluence” (RCAA). Under state law, RCAA are areas with relatively high percentage of white population and high household incomes.

Figure 5 Racially Concentrated Areas of Affluence (RCAAs) illustrates the RCAA boundary as identified in the Housing Element which includes all residential areas east of Highway 17 and south of Mount Hermon Road using the methodology recommended by the California Department of Housing and Community Development (HCD). These boundaries are established in the Housing Element consistent with state law.

3.3.1 Proposed Amendments

To implement Program H-3.2, the proposed amendments would create a new section in the Zoning Ordinance to address RCAA provisions, which are summarized as follows:

Missing Middle Conversions

Allow conversion of existing single-family residences into "missing middle" housing in lower density residential areas. [1]

Within RCAA, an existing single-family home may be converted into a duplex or a triplex with development standards designed to protect the public health and safety and ensure neighborhood compatibility including:

- The lot must conform to zoning district minimum lot area standard.
- The lot may contain only one existing dwelling unit.
- The conversion may only use existing living area in the primary dwelling (e.g., no conversion of accessory structures).
- Minimum lot area of 5,000 sq. ft. per unit (two units max on 10,000 sq. ft. R-1 lot, three units max on 15,000 sq. ft. R-1 lot).
- Three units permitted only on lots with an average slope of less than 25 percent.
- Conversions are not permitted on lot with existing ADUs, however ADUs may be added in the future as permitted by state law.
- The conversion may not be combined with an SB 9 project.
- Two on-site parking spaces must be provided for each unit. Parking spaces may not be in the front setback. The conversion may not add or enlarge an existing driveway curb cut.
- Units must be connected to water and sewer.

SB 9 Triplexes

SB 9 requires cities to permit two primary dwelling units on single-family lots. One accessory dwelling unit (ADU) and one junior accessory dwelling unit (JADU) are also permitted on the lot with the two primary dwelling units. Scotts Valley adopted a local ordinance implementing SB 9 in 2024 (SVMC Chapter 17.55).

The amendment would allow properties eligible for SB 9 unit development provisions to construct triplexes in R-1 zoned single-family neighborhoods identified as RCAAs with the

[1] "Missing middle" housing in this context refers to duplexes and triplexes intended to match the character of single-family residential neighborhoods.

inclusion of at least one deed restricted unit affordable to a very low or low-income household. The third SB 9 unit will be subject to the following development standards:

- Maximum floor area: 800 square feet.
- A third unit is not allowed with an SB 9 urban lot split.
- The third unit is allowed only as a modification to an existing dwelling.
- The third unit may be created by adding new floor area to the existing dwelling (not limited to conversion of existing floor area only).
- The third unit must comply with zoning district setbacks.
- The third unit must comply with all SB 9 standards, including public health and safety and environmental resource protection standards (except as modified above).

Permits for Condominiums and Townhomes

Remove the conditional use permit (CUP) requirement for condominiums and townhomes within R-1 parcels which are identified as RCAAs.

3.4 Other Miscellaneous Amendments

A variety of other amendments to Chapter 17 Zoning of the SVMC would implement other Housing Element programs. These include the following with the respective implementing program shown in parentheses, where applicable:

- **Mixed Use Development Incentives (H-1.7):** Adopt development incentives, such as, but not limited to, decreasing the commercial component for projects that include a greater number of affordable units, for candidate sites identified for mixed-use rezoning.
- **Large Lot Development Incentives (H-2.6):** Adopt and implement a program to facilitate the development of lots larger than ten acres (including flexibility in zoning)
- **Lot Consolidation Incentives (H-2.8):** Facilitate the consolidation of vacant and underutilized lots or residential development (e.g., reduction in lot size and setback requirements, and/or parking reductions.
- **Condominium Conversion Ordinance (H-3.12):** The City shall adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City's total housing stock that can be converted over a certain period of time. The Ordinance shall also establish tenant notification and relocation assistance requirements, limit rent increases once a notice of intent to convert has been filed and give tenants the priority to purchase units.

- **SB 9 Ordinance Amendments:** These amendments consist of various revisions to 17.55 (SB 9 Residential Development), 16.78 (Urban Lot Splits), and the City's SB 9 public health and safety and environmental protection standards to bring the City's SB 9 ordinance into compliance with recently amended state law.
- **Highway 17 Access Hazards:** This amendment would update the General Plan and would prohibit new residential development from solely accessing Highway 17 at specific roadways, as identified in the Highway 17 Access Management Plan (Caltrans, 2016).

3.5 Project Implementation

Based on an analysis by the City and as shown in Table 3 Comparison of Existing and Project Rezoning Residential Units and Population Capacity, implementation of the Project would result in an additional 480 residential units and 605 persons.

Table 3 Comparison of Existing and Project Rezoning Residential Units and Population Capacity

Rezone Sites	# of Parcels	Units	Population [1]
Existing Zoning Capacity			
Residential	7	86	216
Mixed-Use	28	403	1,011
Total	**35**	**489**	**1,227**
Project Zoning Capacity			
Residential	7	264	662
Mixed-Use	28	705	1,770
Total	**35**	**969**	**1,832**
Net Change			
Residential	7	**178**	**446**
Mixed-Use	28	**302**	**759**
Total	**35**	**480**	**605**

Notes:
1. Assumes an average of 2.51 persons per household.
Source: City of Scotts Valley, March 2025.

As shown in Table LU-1: General Plan Buildout Summary of the General Plan, the buildout development capacity analysis (2023) assumed an additional 1,199 additional residential units will be constructed between 2022 and the 2045 buildout projection year. Based on an average

household size of 2.51 persons per household (U. S. Census, 2022), this equates to an estimated population increase of approximately 3,000 people. Implementation of the Project would not exceed the development capacity as described the Land Use Element of General Plan. It is also consistent with the City's Housing Element and State requirements to provide additional housing consistent with the City's RNHA allocation.

Furthermore, allowing all parcels to be developed to the maximum density or intensity is not the intention of the General Plan. The intention is to reflect a maximum development envelope or density range under appropriate conditions, and in accordance with applicable zoning regulations. There are many factors that may limit or affect a development's ability to achieve the maximum intensity on a specific parcel, resulting from the parcel's physical limitations, the City's zoning standards, and how an owner/developer chooses to address the function and design of the development. These factors may include, but are not limited to, the following:

- Parcel size and configuration
- Height limits
- Lot coverage allowed
- Requirements for setbacks, build-to standards, landscaping and open space
- Development standards and design guidelines
- Type of parking provided (e.g., surface, below-grade, or structured)
- Adjacency to sensitive land uses, such as single-family neighborhoods.

It is important to note that the General Plan development build-out analysis represents a maximum development envelope of density based on existing and potential general plan land use designations. Development forecasts involve an analysis of other factors such as environmental constraints, economic and market conditions, historic trends, property ownership, and community preferences.

3.6 Permits and Approvals

The City of Scotts Valley is the Project Applicant. The Project requires the following legislative/discretionary approvals:

- General Plan Amendment
- Zoning Code Amendments
- Subdivision Ordinance Amendments
- Amendments to the City of Scotts Valley SB 9 Standards adopted by City Council Resolution

4 Supplemental Environmental Checklist Form

4.1.1 Project Title

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

4.1.2 Lead Agency Name and Address

City of Scotts Valley
One Civic Center Drive
Scotts Valley, CA 95066

4.1.3 Contact

Taylor Bateman
Community Development Director
tbateman@scottsvalley.gov

4.1.4 Project Location

Citywide. See Figure 1 Regional Location.

4.1.5 Project Applicant

None.

4.1.6 General Plan Designation

Citywide.

4.1.7 Zoning

Citywide.

5 Environmental Analysis

In accordance with *CEQA*, *Public Resources Code* Sections 21000-21178.1, this Initial Study has been prepared to analyze whether any new or more significant environmental impacts could occur from implementation of the Project. The purpose of this Initial Study is to inform the decision makers, affected agencies, and the public of potential environmental impacts associated with the implementation of the Project. This section analyzes the potential environmental impacts associated with the Project.

As demonstrated in Environmental Analysis Sections below, none of the conditions that had been analyzed in the General Plan EIR would change with adoption of the proposed Project. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified.

A Housing Element does not propose or require development of any residential use, rather, it establishes local goals, policies, and actions the City would implement and/or facilitate to address identified housing issues. In accordance with State law, Housing Elements must be updated every eight years to establish current housing and land use strategies reflective of changing needs, resources, and conditions.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Criteria used to analyze potential impacts associated with the proposed project including the following:

1) A finding of “New Potentially Significant Impact” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document that cannot be mitigated to below a level of significance or be avoided.
2) A finding of “New Mitigation is Required” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document and that new mitigation is required to address the impact.
3) A finding of “No New Impact/No Impact” means that the potential impact was fully analyzed and/or mitigated in the prior CEQA document and no new or different impacts will result from the proposed activity. A brief explanation is required for all

answers except “No New Impact/No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No New Impact/No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A “No New Impact/No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

4) A finding of “Reduced Impact” means that a previously infeasible mitigation measure is now available, or a previously infeasible alternative is now available that will reduce a significant impact identified in the previously prepared environmental document.

5) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.

6) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:

   a) Earlier Analyses Used. Identify and state where they are available for review.

   a) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis. Describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the proposed action.

   b) Infeasible Mitigation Measures. Since the previous EIR was certified or previous ND or MND was adopted, discuss any mitigation measures or alternatives previously found not to be feasible that would in fact be feasible or that are considerably different from those previously analyzed and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives.

   c) Changes in Circumstances. Since the previous EIR was certified or previous ND or MND was adopted, discuss any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause a change in conclusion regarding one or more effects discussed in the original document.

7) Lead agencies are encouraged to incorporate into the checklist references to

information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

8) Supporting Information Sources. A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.

9) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.

10) The explanation of each issue should identify:

    a) the significance criteria or threshold, if any, used to evaluate each question;

    b) differences between the proposed activity and the previously approved project described in the approved ND or MND or certified EIR; and

    c) the previously approved mitigation measure identified, if any, to reduce the impact to less than significance.

New Significant Environmental Effects or Substantially More Severe Environmental Effects Compared to Those Identified in the Previous CEQA Document

The subject areas checked below were determined to be new significant environmental effects or to be previously identified effects that have a substantial increase in severity either due to a change in project, change in circumstances or new information of substantial importance, as indicated by the checklist and discussed below.

	Aesthetics		Land Use and Planning
	Agriculture and Forestry Resources		Mineral Resources
	Air Quality		Noise
	Biological Resources		Population and Housing
	Cultural and Tribal Cultural Resources		Public Services
	Energy		Recreation
	Geology and Soils		Transportation
	Greenhouse Gas Emissions		Utilities and Service Systems
	Hazards and Hazardous Materials		Wildfire
	Hydrology and Water Quality		

Lead Agency Determination

On the basis of this evaluation:

	No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND or MND or previously certified EIR is adequately discusses the potential impacts of the project without modification.
X	No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND, MND or previously certified EIR adequately discusses the potential impacts of the project; however, minor changes require the preparation of an ADDENDUM.
	Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous ND, MND or EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, all new potentially significant environmental effects or substantial increases in the severity of previously identified significant effects are clearly reduced to below a level of significance through the incorporation of mitigation measures agreed to by the project applicant. Therefore, a SUBSEQUENT MND is required.
	Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, only minor changes or additions or changes would be necessary to make the previous EIR adequate for the project in the changed situation. Therefore, a SUPPLEMENTAL EIR is required.
	Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, a SUBSEQUENT EIR is required.

5.1 Aesthetics

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Except as provided in Public Resources Code Section 21099, would the project:				
a) Have a substantial adverse effect on a scenic vista?			X	
b) Substantially damage scenic resources, including but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway?			X	
c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			X	

5.1.1 Discussion

Scenic Vistas, Resources, or Viewsheds (a)

Figure OSC-5: Viewsheds and Scenic Corridors of the General Plan identifies prominent forested ridges, scenic road corridors along portions of Highway 17 and several redwood canyon riparian areas, and vistas (largely from higher vantage points toward the ridges, or toward the broad sweep of the valley below). Prominent ridges parallel Highway 17 on the east and Scotts Valley Drive on the west, surround the City limits north and west on Glenwood Drive, and follow the Bean Creek/Zayante divide in the southwest part of the City.

As described in the General Plan EIR (Impact AES-1), future development will be required to preserve and protect existing viewsheds and scenic open spaces and corridors. Policies include

ridgeline protection, visual integration of new development within the natural setting, clustering development, and careful site planning to protect scenic resources.

Given the fact that the City is largely built out, and there are a number of General Plan goals and polices that protect existing viewsheds and scenic open spaces, the General Plan concluded that substantial impacts to scenic vistas, resources, and viewsheds are considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Scenic Resources and Visual Character (b and c)

As described in the General Plan EIR (Impact AES-2), implementation of the General Plan would result in localized alteration to the existing visual character within the City. Land Use Element Goals LU-1 and LU-4 and associated policies address design quality, compatible development, landscaping, and design guidelines and require high-quality commercial and mixed-use development within the Mount Hermon Road and Scotts Valley Drive corridors.

As described in the Open Space & Conservation Element, Goal OSC-2 and associated policies require future development to incorporate appropriate site planning and design features to minimize aesthetic impacts and visually integrate with the visual character of surrounding land uses and the overall City's "small town" character. Policies include natural setting integration, landscape screening, infill and clustering of development, street and open space planning, integrated site planning, and quality design.

Additionally, the Mount Hermon Road Design Guidelines, the Commercial and Industrial Design Review Guidelines, Multi-Unit Residential Design Standards, and the Residential Design Handbook provide guidance regarding the protection and enhancement of aesthetic and visual resources, as applicable.

As such, the General Plan EIR concluded that substantial impacts to scenic resources and visual character is considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Light and Glare (d)

Implementation of the Project would introduce new light sources in undeveloped and underdeveloped portions of the City. New light sources would include, but not be limited to, new commercial and residential development, street lighting, parking lots, and security lighting. These new light sources would occur within the existing urban areas of the City limits where nighttime lighting already existing.

As described in the General Plan EIR (Impact AES-3), Policy LU-1.14 Commercial & Industrial Development – Lighting requires that lighting in non-residential development be controlled to the extent necessary for security, safety and identification without interfering with adjoining land uses. Lighting shall be directed away from public rights-of-way and adjacent residential land uses. Policies LU-1.9 Design Quality and LU-1.10 Compatible Development, requires future development to enhance the visual character of the community. Furthermore, future development projects are subject to design review, which includes an assessment of exterior lighting.

Scotts Valley Municipal Code Chapter 17.44.020 – Commercial and Industrial Performance Standards (7) requires that no direct or sky-reflected glare, whether from floodlights or from high-temperature processes such as combustion or welding or otherwise, shall emanate from any establishment or use so as to be visible at a distance of 500 feet from said establishment or use. Additionally, the City Multi-Unit Residential Design Standards Part 2, Section IX.B.5 require that light must be directed downward or towards structures and away from adjacent lots to minimize illumination of adjacent properties and the public right of way.

The General Plan EIR concluded that implementation of General Plan policies, the City's various design guidelines documents, design review, and City regulations, substantial impacts associated with the creation of new sources of light and glare are considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.2 Agriculture and Forestry Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?			X	
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?			X	
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				
d) Result in the loss of forest land or conversion of forest land to non-forest use?			X	
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?			X	

5.2.1 Discussion (a–e)

None of the Project Rezone Sites (as described in Chapter 3 Project Description) are located on land that is classified as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance by the Farmland Mapping and Monitoring Program of the California Resource Agency. The remaining Project amendments, while City-wide, are related to future development are limited to residentially and commercially designated properties.

Conclusion

No Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.3 Air Quality

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:				

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?			X	
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?			X	
c) Expose sensitive receptors to substantial pollutant concentrations?			X	
d) Result in other emissions (such as those leading to odors adversely affecting a substantial number of people?			X	

5.3.1 Discussion

Air Quality Plan and Air Quality Standards (a)

The Project site is located within the North Central Coast Air Basin (NCCAB), which includes Monterey County, San Benito County, and Santa Cruz County, comprising an area of approximately 5,159 square miles along the central California coast. The Monterey Bay Air Resources District (MBARD) is responsible for local control and monitoring of criteria air pollutants throughout the NCCAB.

As described in the General Plan EIR (Impact AQ-1), MBARD's 2008 CEQA Air Quality Guidelines provides criteria for determining cumulative impacts and consistency. The CEQA Air Quality Guidelines note that a project which is inconsistent with an Air Quality Plan would have a significant cumulative impact on regional air quality. Any emissions sources that would be generated as part of a future project would be subject to the MBARD rules and regulations.

The Project does not include any processes or activities that would emit significant air pollutants. The proposed uses would not conflict with the Air Quality Management Plan (AQMP) for the Monterey Bay Region and would not make a considerable contribution to this existing, cumulatively significant ozone impact. The General Plan concluded that impacts would be less than significant.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project

involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Criteria Pollutants (a and b)

Construction Activities

Emissions from individual development construction sites would be short term and temporary but would occur through build-out of the General Plan. At any given times, several construction projects may be under way, which may result in substantial construction related emissions. The General Plan EIR (Impact AQ-2) concluded that implementation of Policy SN-4.18 through 21 would ensure that construction emissions associated with implementation of the General Plan would be less than significant.

Furthermore, Standard Conditions of Approval require that development projects reduce dust generation from project grading and construction to minimal levels, the project proponent shall require the grading contractor to implement best management practices (BMPs) for dust control.

Operational

The Project would result in new long-term operational emissions from mobile sources (burning of fossil fuels in cars); energy sources (cooling, heating, and cooking); and area sources (landscape equipment and household products). Mobile source emissions constitute most operational emissions from this type of development project.

As described in the General Plan EIR (Impact AQ-2), the operational emissions associated with future planned development associated with buildout of the General Plan, which include both area and mobile emissions, would occur incrementally over the next 20 plus years. Given the fact that Scotts Valley is largely built out and future development would occur on the few remaining vacant parcels or as infill development, individual projects are not anticipated to exceed MBARD significance threshold for daily emissions and would be evaluated against operational phase emissions presented in General Plan EIR Table ER-AQ-2: MBARD Significance Thresholds for Construction and Operational Emissions.

Furthermore, as required by MBARB, approval of future projects would prohibit the use of wood-burning fireplaces and require the use of low-emitting architectural coatings to further reduce air quality impacts.

The General Plan EIR concluded that impacts of dust, criteria air pollutants, and toxic air contaminants generated by long-term operation of future planned development associated with buildout of the General Plan would be less than significant and no mitigation is required.

Cumulatively Considerable Pollutants

As described in the General Plan (Impact AQ-3), the evaluation of whether or not General Plan implementation would lead to significant air quality emissions should be based on whether the population forecasts described in the General Plan are consistent with the population forecasts used in the AQMP. If the population forecasts described in the General Plan are above the population forecasts described in the AQMP, then the General Plan is considered inconsistent with the AQMP and would result in significant cumulative air pollutant emissions. The consistency analysis is performed by AMBAG, because AMBAG develops population forecasts that are used in the AQMP.

The most recent AMBAG Final Draft 2026 Subregional Growth Forecast projects population growth in five-year increments to the year 2040. The 2040 population forecast for the City of Scotts Valley by AMBAG is 12,887 persons. Since the General Plan assumes a population buildout of 15,400 (see General Plan Table LU-1: General Plan Buildout Summary), the General Plan would be inconsistent with the AQMP. This inconsistency in population forecasts is considered to result in a cumulatively considerable significant air quality impact.

Action SN-4.2 would require the City to work cooperatively with the MBARB and AMBAG to reduce significant emissions, and to the extent feasible, to meet Federal and State air quality standards for all pollutants. This action would also require the City to participate in future amendments and updates of the Air Quality AQMP for the Monterey Bay Region to ensure that new measures can be practically enforced in the region. However, due to the projected population growth, regional emissions would remain significant, and the General Plan would likely remain inconsistent with the AQMP. No further mitigation is feasible to reduce this impact. Therefore, the General Plan concluded that this impact would remain significant and unavoidable.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Furthermore, due to the projected population growth, regional emissions would remain inconsistent with the AQMP. Therefore, cumulatively considerable pollutant impacts associated with the Project would remain significant and unavoidable, and there would be **no new impact**.

Sensitive Receptors (c)

Sensitive land uses are defined as facilities or land uses that include members of the population that are particularly sensitive to the effects of air pollutants, such as children, the elderly, and people with illnesses. Examples of these sensitive receptors are residences, schools, hospitals, and daycare centers.

Construction equipment and associated heavy-duty truck traffic generates diesel exhaust which is a known toxic air containment (TAC). The California Air Resources Board (CARB) has identified diesel exhaust particulate matter as a toxic air contaminant, and assessment of toxic air contaminant cancer risks is typically based upon a 70-year exposure period. Project grading and construction activities that would utilize diesel-powered equipment would expose receptors to possible diesel exhaust for a very limited number of days (approximately 10 days). Because exposure to diesel exhaust would be well below the 70-year exposure period and given the limited and short-term duration of activities that would use diesel equipment, construction-related diesel emissions are not considered significant.

Furthermore, the State is implementing emission standards for different classes of on- and off-road diesel vehicles and equipment that applies to off-road diesel fleets and includes measures such as retrofits. Additionally, Title 13 of the California Code of Regulations (section 2485(c)(1)) prohibits idling of a diesel engine for more than five minutes in any location.

The General Plan EIR (Impact AQ-4) concluded that potential exposure of sensitive receptors to diesel emissions and associated risks is considered a less than significant impact, and no mitigation measures are required.

Additionally, Standard Conditions of Approval require that prior to issuance of a grading permit, the Director of Public Works and the Building Official shall confirm that the grading permit and specifications stipulate that all off-road construction vehicles/equipment comply with the California Air Resources Board's In-Use Off-Road Diesel Vehicle Regulation.

As described in the Transportation section of the General Plan EIR, future planned development and implementation of recommended transportation improvements would not result in an intersection cumulative LOS increase at any of the study intersections and the overall intersection capacity utilization (ICU) would not exceed MBARD criterion. Therefore, the

General Plan EIR concluded that impacts related to sensitive receptors would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Other Emissions (d)

During construction activities, temporary odors from vehicles exhaust and construction equipment engine would occur. However, construction-related odors would be short-term and would cease upon completion. Therefore, no objectionable odors are anticipated from construction activities associated with the project and there would be no impact.

Land uses typically producing objectionable odors include agricultural uses, wastewater treatment plants, food processing plants, chemical plants, composting, refineries, landfills, dairies, and fiberglass molding. The Project does not include any uses that would be associated with objectionable odors. Odor emissions from the project would be limited to odors associated with vehicle and engine exhaust and idling cars.

The General Plan EIR (Impact AG-5) concluded that Future planned development associated with buildout of the General Plan would include uses consistent with surrounding area and would be required to comply with MBARD Rules regarding operational emissions. Therefore, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.4 Biological Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?			X	
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?			X	
c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological			X	
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
wildlife corridors, or impede the use of native wildlife nursery sites?				
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?			x	
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?			x	

5.4.1 Discussion

Sensitive Natural Communities, Special Status Species, and Riparian Habitats (a and b)

As described in the General Plan Open Space & Conservation Element, there are three habitat communities in the Scotts Valley Planning Area: 1) Riparian Woodland, 2) Ponderosa Pine, and 3) Zayante/Santa Cruz Sandhills. These habitat communities support a variety of special-status plants and animals that do or could potentially occur. The Element contains a number of policies designed to protect these candidate, sensitive, rare, and/or special-status plant and animal species.

The General Plan EIR concluded that Implementation of these policies in the General Plan, and implementation of implementation of existing federal, state, and local regulations, would ensure that individual projects are required to analyze and mitigate for site-specific biological resources pursuant to current state and federal protocols for protected species. Implementation of these policies and programs would mitigate impacts to these resources to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Wetlands and Riparian Corridors (c and d)

Isolated wetlands, particularly those associated with riparian corridors and low-lying undeveloped areas, are located throughout the City. The Open Space & Conservation Element contains a number of policies to protect wetlands and riparian corridors including Policy OSC-1.8 and Policy OSC-1.12.

The General Plan EIR concluded that implementation of these policies in the General Plan, and implementation of existing federal, state, and local regulations, would ensure that individual projects are required to analyze and mitigate for site-specific impacts that would mitigate impacts to these resources to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Tree Preservation (e)

Future planned development associated with buildout of the General Plan could have a potential impact on the removal of trees, including native trees such as Coast live oak and Ponderosa pine. In addition, project construction may require grading within the dripline of native trees slated for retention and trimming to provide road clearances.

The City of Scotts Valley Zoning Ordinance Section 17.44.080 Tree Protection Regulation regulates the protection and removal of protected trees. Applicants for future development associated with buildout of the General Plan that would involve removal of protected trees are required to obtain a Tree Removal Permit, which involves submittal of an application and an arborist report to verify the reasons for removal or to determine alternatives to removal. Removal of protected trees other than Heritage Trees may be granted by ministerial approval. Removal of Heritage Trees requires authorization by the Planning Commission, either at project approval or at a separate public hearing held thereafter.

The General Plan EIR concluded that implementation of the City's Tree Protection Regulations would ensure that individual projects are required to analyze and mitigate for site-specific impacts to tree preservation policy or ordinances. Implementation of these policies and programs would mitigate impacts to these resources to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Conservation Plans (f)

As described in the Open Space & Conservation Element, there are three designated conservation areas within the General Plan Planning Area that are managed to preserve their habitat and plant and animal species: 1) Santa Cruz Sandhills, 2) Glenwood Preserve, and 3) Polo Ranch Habitat. Conservation plans that provide long-term management and monitoring of biological resources for the Santa Cruz Sandhills and Glenwood Preserve have been adopted by the City of Scotts Valley.

The General Plan EIR concluded that implementation the respective conservation plans, as well as the policies and actions described in the Open Space & Conservation Element (and other General Plan biological resources protection policies and actions) would ensure continued implementation and monitoring of the City's conservation areas and impacts to these resources would be reduced to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.5 Cultural Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource pursuant to in § 15064.5?			X	
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?			X	
c) Disturb any human remains, including those interred outside of dedicated cemeteries?			X	

5.5.1 Discussion

Historic and Archaeological Resources

As described in the Open Space & Conservation Element, in 1990, in cooperation with the Scotts Valley Historical Society (SVHS), the City completed a survey of all potential historic structures within the City limits. At present, the only historic structure in the City is the Scott House, which is located in MacDorsa Park, next to the Scotts Valley Civic Center. Over time, additional historic structures may be identified consistent with Section 17.44.140 – Historic Landmark Preservation of the Scotts Valley Municipal Code. Should future development have a potential impact on a designated landmark, or property that becomes suitable for landmark designation, the landmark would be subject to protection consistent with Section 17.44.140.

The City maintains a map that identifies designated areas of high and moderate archaeological sensitivity. This map is kept confidential to avoid potential impacts to know or unknown archaeological site. Consistent with Section 17.44.130 – Cultural Resource Protection, all future

development would be subject to City review to protect the interest of the public by providing for the identification, protection, enhancement, perpetuation and use of archaeological resources and sites within the City that reflect special elements of the City's prehistoric and historic archaeological heritage.

The Open Space & Conservation Element contains Goal OSC-4 and related policies designed to protect historic and archeological resources. Furthermore, the City would be required to consult with local tribal groups as part of the CEQA process for any future development, consistent with SB 18.

The General Plan EIR concluded that implementation of these goal and policies, as well as enforcement of the respective City's Municipal Code provisions and State requirements would effectively mitigate potential cultural and historic resource impacts to less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Human Remains

Pursuant to section 7050.5 of the Health and Safety Code, if human remains are discovered, there shall be no further excavation or disturbance of the discovery site, or any nearby area reasonably suspected to overlie adjacent human remains until the project applicant has complied with the provisions of State CEQA Guidelines Section 15064.5(e).

The General Plan EIR concluded that with implementation of existing regulations, the impact would be less than significant**,** and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.6 Energy

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?			X	
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?			X	

5.6.1 Discussion

Energy Consumption (a and b)

Energy consumption associated with future construction of the Project would be temporary and short-term. Project design and operation would be required to comply with State Building Energy Efficiency Standards, appliance efficiency regulations, and green building standards. Additionally, the project includes other design features including efficient low-energy lighting, and natural ventilation systems.

The Project would also be required to be built according to City and State energy efficiency standards. Vehicle trips and energy consumption would be less carbon intensive as compared to historic levels due to statewide compliance with future low carbon fuel standard amendments and increasingly stringent Renewable Portfolio Standards.

As concluded in the General Plan EIR, the project would comply with existing State energy standards and would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency. There would be no impact to energy consumption.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.7 Geology and Soils

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:			X	
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.			X	
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?			X	
iv) Landslides?			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
b) Result in substantial soil erosion or the loss of topsoil?			x	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?			x	
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?			x	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?			x	
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			x	

5.7.1 Discussion

Earthquake Faults, Landslides, and Seismic Ground Shaking (a, c and d)

Relevant areas of known or suspected geologic hazards, as shown in General Plan Figure SN-3: Fault Zones, Figure SN-4: Liquefaction Potential and Figure SN-5: Landslide Deposits of the Safety & Noise Element, indicate that subsurface soil conditions in some locations of the Planning Area could be susceptible to geologic and soil impacts.

Goal SN-3 and associated policies of the Safety & Noise Element are designed to protect human life and prosperity and to minimize injury, economic damage, and social dislocation resulting from disasters related to geologic and seismic events. In particular, Policy SN-3.10 Geotechnical Evaluations requires future development in a geologic hazard area, development shall be

approved only after a geotechnical evaluation is completed by a registered geologist as part of the environmental review process.

Additionally, all future development associated with the Project would be required to comply with the California Building Code and Title 15 – Buildings and Construction of the Scotts Valley Municipal Code.

The General Plan EIR concluded that implementation of the above goal and policies, as well as enforcement of the respective City's Municipal Code provisions and State requirements would effectively mitigate potential seismic impacts to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Soil Erosion (b)

Some future development associated with buildout of the General Plan would involve the removal of landscape vegetation and grading activities associated with the construction of buildings, infrastructure, and roads. The loosening and exposure of soil makes it susceptible to erosion by rainfall and wind. Future development would also increase the amount of impervious surfaces, which may affect the natural drainage pattern.

The Project would involve grading activities associated with the construction of buildings, infrastructure, and roads. Grading would largely be limited to the respective project site, which would limit the amount of exposed soil area that would be subject to erosion.

General Plan Policy SN-2.4 Flood Control Facilities requires that all future construction or expansion of existing flood control facilities to protect individual properties shall be permitted only when it can be determined that such measures do not substantially increase the flood or erosion hazards to other properties.

Measures to control erosion would be incorporated into the construction specifications pursuant to the National Pollution Discharge Elimination System (NPDES) requirements for construction. In addition, to comply with the NPDES requirements for construction, projects

involving construction on sites that are one acre or more are required to prepare and implement a Stormwater Pollution Prevention Plan (SWPPP) that specifies how the discharger would protect water quality during construction activities. Compliance with the erosion control ordinances and acquisition of the NPDES General Permit for construction activities would ensure that soil erosion impacts associated with development pursuant to the project would be less than significant.

The General Plan EIR concluded that implementation of the above policy, as well as enforcement of the respective City's Municipal Code provisions and State requirements including acquisition of the NPDES General Permit for construction activities, would effectively mitigate potential soil erosion impacts associated with future development to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Sewage Disposal (d)

All future development associated with the Project would involve disposal of wastewater through the City's existing sanitary sewer system and there would be no septic systems constructed.

Conclusion

No Impact.

Unique Geological Features and Paleontological Resources (e)

Future development could result in the discovery and disturbance of previously unknown or undiscovered paleontological resources. As described in General Plan EIR Impact CUL-1, should evidence of paleontological resources be encountered during grading and construction, adherence to City, State, and federal historic preservation laws, regulations, and codes related to archaeological and paleontological resources would ensure the adequate protection of paleontological resources.

The General Plan EIR concluded that compliance with the respective City, State, and federal regulations would effectively mitigate potential impacts to paleontological resources associated with future development to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.8 Greenhouse Gas Emissions

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			X	
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?			X	

5.8.1 Discussion

Determining significance for Greenhouse Gas (GHG) emissions follows available guidelines from State or local air quality management agencies, where available. However, there is no legally adopted threshold to guide City of Scotts Valley decision-makers in determining what emission levels constitute a significant amount. Rules and policies are being developed by the California

Air Resources Board (CARB), although they are evolving in response to the serious threat of climate change effects and subsequent legislation.

MBARD does not yet recommend any method or threshold for determining significance of climate change impacts or greenhouse gas emissions from a project and its operation. Nonetheless, GHG emissions caused by any project subject to CEQA must be described for a lead agency to determine the significance of impacts.

Generation of GHG Emissions (a and b)

Construction of the project would result in direct emissions of CO_2, N_2O, and CH_4 from the operation of construction equipment and the transport of materials. MBARD does not have a threshold for construction GHG emissions, which would be one-time, short-term emissions and therefore would not significantly contribute to long-term cumulative GHG emissions impacts of the project.

As described in the Open Space & Conservation Element, Goal OSC-5 and associated policies require integrated air quality, land use and transportation planning and promote the increased use of renewable energy sources to reduce the emission of criteria pollutants and greenhouse gases from mobile sources; and to promote building techniques that increase energy efficiency.

Additionally, there are a number of polices and actions that require the City work with relevant local, state, and federal agencies to implementing air quality management plans which are designed in part to reduce greenhouse gas emissions.

The General Plan EIR concluded that implementation of the General Plan would not exceed the criteria for a making a cumulatively considerable contribution to greenhouse gas emissions impacts and global climate change, nor conflict with any GHG plans impacts would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.9 Hazards and Hazardous Materials

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			X	
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			X	
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			X	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?			x	
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?			x	

5.9.1 Discussion

Hazardous Substances (a – d)

Implementation of the Project may result in known and unknown hazardous materials being discovered or encountered at specific project sites.

Until 1980, numerous types of building materials, such as roofing paper, shingles, drywall, drywall texturing, linoleum, and mastic, contained considerable amounts of asbestos. Many of the existing structures in the City were built prior to 1980 and therefore may have friable asbestos containing materials (ACMs). Based on the age of the structures, removal or disturbance of these structures may result in the airborne release of asbestos from ACMs.

In 1978, EPA regulations were adopted prohibiting the use of lead in paints and other construction materials. Therefore, it is likely that many of the older structures contain lead-based paint materials. Future development associated with the Project may include the demolition and removal of some of these structures.

As described in the Safety & Noise Element, Goal SN-4 and associated policies seek to protect human life and prosperity and to minimize injury, economic damage, and social dislocation resulting from disasters related to hazardous materials.

The General Plan concluded that implementation of the General Plan goal and policies, as well as enforcement of the local, State and federal regulations regarding the discover, use and transport of hazards and hazardous materials, would mitigate potential hazards and hazardous materials impacts to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project

involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Public Airport or Private Airstrip (e)

The City is not located within two miles of a public airport or public use airport, or within the vicinity of a private airstrip.

Conclusion

No Impact.

Emergency Response (f)

General Plan Figure SN-6: Evacuation Routes, which extend along Mount Herman Road and Scotts Valley Drive and major collector streets. As described in the Safety & Noise Element, Policy SN-4.1 required the City to coordinate emergency operations on a local and regional basis. The City's Emergency Operations Plan as well as emergency plans as prepared by other agencies including the Scotts Valley Fire Protection District and Santa Cruz County, form to basis for emergency preparedness and response.

The General Plan EIR concluded that implementation of Policy SN-4.1 would ensure that the City is consistent with local and state emergency plans. Therefore, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.10 Hydrology and Water Quality

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?			x	
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?			x	
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:			x	
i. Result in substantial erosion or siltation on- or off-site?			x	
ii. Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite?			x	
iii. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?			x	
iv. Impede or redirect flood flows?			x	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?			X	
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?			X	

5.10.1 Discussion

Groundwater Supply and Demand (a and b)

As described in the Open Space & Conservation Element and shown in Figure OSC-2: Watersheds, the Santa Margarita Groundwater Basin (SMGB) is a primary water supply source for Scotts Valley. Two public water agencies, the Scotts Valley Water District (SVWD or District) and the San Lorenzo Valley Water District (SLVWD) serve the Scotts Valley area. The SVWD, in partnership with other local agencies, has actively managed groundwater in the area since the early 1980s in an effort to increase water supply reliability and to protect local water supply sources. In June of 2017 SVWD, SLVWD and the County of Santa Cruz formed the Santa Margarita Groundwater Agency (SMGWA), which is responsible for ensuring the sustainable groundwater management in the SBGB.

As described in the Open Space & Conservation Element, Goal OSC-3 and associated policies seek to preserve surface and ground water supplies, reduce stormwater runoff, and improve water quality in the Planning Area.

The General Plan EIR concluded that with implementation of the Goal OSC-3 and associated policies, enforcement of the local, State, and federal regulations, and on-going sustainable water management practices as implemented by the SVWD, the SLVWD and the SMGWA would help to ensure that depletion of local groundwater supplies or interfere with groundwater recharge are minimized. Furthermore, while future development would result in moderate increase in water demand associated with residential and commercial use, it would not exceed groundwater supply and projections as identified by the SVWD and the SLVWD. Therefore, impacts to groundwater supply and recharge would be less than significant and no mitigation required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project

involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Stormwater Runoff (c and e)

The rate and amount of surface runoff is determined by multiple factors, including the amount and intensity of precipitation; amount of water that enters a watershed; and the amount of precipitation and water that infiltrates to the groundwater.

In cases where a future development project disturbs more than one acre of land, the project applicant is required to submit a Notice of Intent to the State Board and apply for coverage under the State NPDES General Permit for Construction Activities, prepare a Stormwater Pollution Prevention Plan (SWPPP), and submit it for review and approval prior to commencing construction. In addition, some projects may be subject to state Tier 4 Post-Construction Requirements, which requires development projects to use Low Impact Development (LID) features and facilities to detain, retain, and treat site runoff.

State and local regulations also require future development to prepare a Stormwater Control Plan (SCP) that addresses potential impacts from stormwater runoff. The SCP includes project site-specific best management practices (BMPs) to control erosion and sedimentation and maintain water quality in accordance with the current edition of the City of Scotts Valley Stormwater Technical Guide. The BMPs address the construction and maintenance of storm drain inlets, irrigation and use of pesticides, maintenance of hardscapes, and maintenance of underground stormwater facilities.

As described in the Open Space & Conservation Element, Goal OSC-3 and associated policies seek to minimize stormwater runoff due to the increase in impervious surfaces in the Planning Area. Additionally, Policy OSC-3.1 Regional Collaboration – Stormwater requires the City to continue to partner with and support federal, state, and local agencies in regional planning and management initiatives to promote and enhance water quality in Scotts Valley and the region.

The General Plan EIR concluded that given Goal OSC-3 and associated policies, and the fact that future project-specific applicants must comply with local and state regulations regarding construction and operations (e.g. SCP and SWPPP), the impacts from stormwater runoff would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Floodplains, Seiche, Tsunami and Mudflow Related Hazards (d)

The City is not subject to inundation by seiche, tsunami, or mudflow nor located on or near a lake or ocean coastline. Therefore, there would be **no impact**.

5.11 Land Use and Planning

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Physically divide an established community?			X	
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?			X	

5.11.1 Discussion

Physically Divide and Established Community (a)

The City of Scotts Valley is a compact urban community that is surrounded by natural barriers to outward expansion. Developable areas within the City limits are largely built out. As an established community, new development would be considered infill development, both on

limited remaining vacant lands or intensification and/or redevelopment on underutilized parcels.

As described in the Land Use Element, Goal LU-2 and associated policies require the City to maintain a well-defined valley community with boundaries defined by the planning area's natural features and environmental functions. Policy LU-2.2 requires the City to preserve open space and maintain development at the edge of the City limits compatible with surrounding Santa Cruz County land uses.

The General Plan EIR concluded that because future development would be within an established community, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Conflict with Any Land Use Plan or Regulation (b)

As shown in Table LU-1: General Plan Buildout Summary, the General Plan assumes a moderate growth rate that is consistent with actual growth trends over the past 20 + years, as well as projections as identified by the Association of Monterey Bay Area Governments (AMBAG).

The General Plan, by its definition, includes goals, policies, and actions that establish a framework for land use designations and orderly future development consistent with the General Plan's Vision & Guiding Principles. The Scotts Valley Municipal Code provides further development standards that would be applicable to all future development applications.

The General Plan EIR concluded that no substantially new land use designations are proposed, and future development applications would be reviewed for consistency with the General Plan, other relevant City plans, and impacts would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the

Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.12 Mineral Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?			X	
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?			X	

5.12.1 Discussion

There are no active mines or quarries or known mapped oil or gas fields in the City.

Conclusion

No Impact.

5.13 Noise

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project result in:				
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			X	
b) Generation of excessive groundborne vibration or groundborne noise levels?			X	
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?			X	

5.13.1 Discussion

Ambient Noise Levels (a)

Future development associated with the Project would result in temporary increases in ambient noise levels due to construction activities and long-term increases in ambient noise levels due to operations, primarily from traffic.

Construction Noise Levels

Noise-generating construction activity would be reduced by being restricted to daytime hours when sensitive receptors are the least sensitive to noise. The Scotts Valley Zoning Ordinance (Title 17.46.160) exempts noise sources associated with temporary construction activities, provided such activities occur between 8:00 AM and 6:00 PM Monday through Friday; 9:00 AM and 5:00 PM on Saturday; but not on Sundays or federal holidays. While construction noise levels during these hours may temporarily exceed 80 dBA, such exceedances would be

temporary and would not be expected to result in average daytime noise levels that would exceed an 8-hour Leq of 80 dBA, which is the FTA's recommended standard for adverse community reaction.

The General Plan Safety & Noise Element includes contains polices to reduce construction noise. Policy SN-7.15 requires the City to ensure that construction activities are managed to minimize overall noise impacts on surrounding land uses. Policy SN-7.16 requires that where appropriate, particularly when located adjacent to sensitive land uses, construction noise reduction measures to be included as part of project development plans to reduce the effects of construction noise.

Development projects are reviewed on a case-by-case basis, and typical conditions of approval include limiting the day and times of day during which construction and/or heavy construction can be conducted, provision of notification to neighbors regarding construction schedules, and implementation of a process to receive and respond to noise complaints. These are some of the types of measures that would be implemented by the City to manage and minimize construction noise impacts per proposed General Plan policies and City noise regulations described above.

The General Plan concluded that with implementation of the General Plan policies and City regulations that set forth measures to minimize exposure construction noise levels, the increase in temporary noise levels from construction-related activities would be considered less-than-significant and no mitigation is required.

Long-term Noise Levels

As described in the General Plan Safety & Noise Element, future development could result in increased vehicular noise as well as project-level construction-related noise which would primarily occur on vacant and underdeveloped infill sites. As shown in General Plan Figure SN-7: Noise Contours, future noise levels adjacent to major roadways and Highway 17 would remain relatively unchanged as compared to existing conditions, due to the fact that traffic is the most significant contributor to ambient noise levels and minor increase in traffic associated with future development would not cause a significant change in noise levels.

Areas directly adjacent to arterials within the City (i.e., Mt. Hermon Road and Scotts Valley Drive) would experience noise levels at 65 dBA or lower, which is the typical exterior noise level at which the state-mandated interior sound level of 45 dBA could be achieved without specialized structural noise attenuation. Some future development would be located along these arterials roadways but would not be located in areas where future noise levels would exceed noise or land use compatibility standards.

If ambient noise levels in the area of a future development project exceed "normally acceptable" thresholds as shown in Table SN-2: Noise Increase Standards of the Safety and Noise Element, the City would require a detailed analysis of feasible noise reduction

requirements. Furthermore, as needed, noise insulation features must be included in the design of such projects to reduce exterior noise levels to meet the acceptable thresholds, or, for uses with no active outdoor use areas, to ensure maintenance of acceptable interior noise levels for the proposed land use.

The Safety & Noise Element includes goals, policies and actions that set forth measures to avoid and minimize adverse impacts on noise. In particular, Policy SN-7.5, requires that new developments that are conditionally acceptable or increase the day-night noise level by more than the levels shown in Table SN-2: Noise Increase Standards are required to conduct a noise study to determine that the appropriate noise attenuation design measures have been incorporated.

The General Plan EIR concluded that with implementation of the General Plan, as well as future project-level environmental review, exposure to long-term noise levels would be considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Exposure to Groundborne Vibrations (b)

Project construction can generate varying degrees of groundborne vibration, depending on the construction procedure and the construction equipment used. Operation of construction equipment generates vibrations that spread through the ground and diminish in amplitude with distance from the source.

General Plan EIR Table ER-N-1: Typical Vibration Levels for Construction Equipment, identifies vibration velocities from typical heavy construction equipment operation range from 0.003 to 0.089 inch-per-second peak particle velocity (PPV) at 25 feet and 0.000 to 0.011 inch-per-second peak particle velocity (PPV) at 100 feet from the source of activity. The General Plan EIR concluded at these distances; construction activities would be well below the 0.2 inch-per-second PPV significance threshold. Therefore, vibration impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Airport or Private Airstrip Noise (c)

The Project site is not located within any airport noise impact contours and not located within the vicinity of any private air strip.

Conclusion

No Impact.

5.14 Population and Housing

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			X	
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?			X	

5.14.1 Discussion

Unplanned Population Growth (a)

The General Plan is a long-term planning document that is used by the City of Scotts Valley for orderly growth and development over the next 20 + years. Based on the General Plan's Vision Statement and Guiding Principles (see Introduction) and development capacity analysis as described in the Land Use Element, the General Plan assumes a moderate growth rate that is consistent with actual growth trends over the past 20 + years, as well as population, housing and employment projections as identified by the Association of Monterey Bay Area Governments (AMBAG).

The development capacity analysis provides a reference point for how and where such growth would be accommodated, and how the City and other public agencies would accommodate such growth, particularly with respect to infrastructure requirements (e.g., roads, water, sewer), and public services (e.g., police, fire, and parks & recreation).

Traffic and circulation, air quality, increases in noise, and demands upon public services are the primary population-based effects. These potential impacts are addressed in the respective environmental resource sections of this Initial Study.

The General Plan concluded that through local planning, as demonstrated in the Land Use Element, and implementation of ordinances, regulations, fees, system upgrades, and various environmental conservation measures, the physical environmental effects from population growth would be effectively reduced to less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Displacement of People or Housing

As an established community, new development accommodated by the Project would be considered infill development, both on limited remaining vacant lands or intensification and/or redevelopment on underutilized parcels. Thus, Project development would be within an

established community and would not displace a substantial number of existing people or housing.

Conclusion

No Impact.

5.15 Public Services

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project result in:				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i) Fire protection?			X	
ii) Police protection?			X	
iii) Schools?			X	
iv) Parks?			X	
v) Other public facilities?			X	

5.15.1 Discussion

Fire and Police Services (a-i and -ii)

Fire and police services in the City are provided by the Scotts Valley Fire Protection District and the Scotts Valley Police Department.

The General Plan Community Services & Facilities Element found that future growth accommodated by the General Plan would not reduce response times or require new or physically altered fire protection facilities that could result in significant physical impacts. Furthermore, Goal CSF-2 and associated policies set forth measures to provide high-quality emergency services for Scotts Valley and avoid and minimize adverse impacts on police and fire protection services.

The General Plan EIR concluded that given the modest population increase over time and implementation of Goal CSF-2 and associated policies, indirect impacts on police and fire protection services would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Schools (a-iii)

The Scotts Valley Unified School District (SVUSD) operates the public school system within City of Scotts Valley. SVUSD administers two elementary schools (Vine Hill Elementary and Brook Knoll Elementary), Scotts Valley Middle School, and Scotts Valley High School.

General Plan Goal CSF-4 and associated polices set forth measures to provide high-quality educational and training facilities and programs. In particular, Policy CSF-4.3 Adequate School Facilities encourages communication and cooperation between the City, applicants for residential development projects, and appropriate educational districts and agencies to ensure that adequate, safe school facilities and services are planned to provide a quality educational environment for anticipated growth.

Furthermore, as required by State and City requirements (Chapter 3.32 – School Facilities Dedication and Fees), future development would be required to pay applicable SB 50 school impact fees for residential and commercial development. Payment of these fees and ongoing revenues from retail sales taxes, transient occupancy taxes, and annual real estate taxes, would help fund capital and operating costs associated with additional school services.

The General Plan EIR concluded that under the provisions of SB 50, a project's impacts on school facilities are fully mitigated via the payment of the requisite new school construction

fees established pursuant to Government Code Section 65995. Therefore, this impact is considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Parks and Recreation Facilities (a-iv)

The City of Scotts Valley Parks and Recreation Department provides parks, recreation facilities, and recreation programs for the community. The Parks and Recreation Department maintains seven parks and recreational facilities in the City.

General Plan Goal CSF-3 and associated policies of the Community Services & Facilities Element set forth measures to provide ample, safe, and well-maintain park and recreation facilities and programs that serve the needs of the community.

Additionally, per Chapter 16.35 – Dedication of Land for Parks and Recreational Purposes, future development projects are required to provide private and common open space on the project site and/or pay in-lieu fees for the provision of recreational resources where deficient from project site open space.

The General Plan concluded that implementation of the General Plan would not result in the substantial deterioration of existing recreational facilities or parks and would not require the construction of new facilities or parks. Therefore, indirect impacts on park and recreation facilities would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Other Public Facilities

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.16 Transportation

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?			X	
b) Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?			X	
c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
intersections) or incompatible uses (e.g., farm equipment)?				
d) Result in inadequate emergency access?			X	

5.16.1 Discussion

Conflict with City Policies or Programs(a)

The Mobility Element of the General Plan is the overall policy document that guides mobility planning for the City. Associated plans, including the City's Bicycle Transportation Plan, is consistent with the intentions of the General Plan. The General Plan EIR concluded that there would be no conflict with City policies or programs and therefore there would be no impact.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Increase Vehicle Miles Travelled (b)

Vehicle Miles Traveled (VMT) is a measure of total vehicular travel that accounts for the number of vehicle trips and the length of those trips. The City of Scotts Valley's VMT Implementation Guidelines (Kimley-Horn and Associates, August 2023) establishes VMT significance criteria for CEQA analysis.

The VMT Implementation includes screening criteria to avoid unnecessary analysis and findings for non-significant transportation impacts. Small projects that generate less than 110 trips per day are exempt from VMT analysis. However, upon issuance of the building permit, the project would be required to pay a City traffic impact fee.

The General Plan includes policies and programs designed to reduce VMT to a reasonable extent. In particular, Policy M-3.1 Reduce Vehicle Miles Traveled (VMT) requires the City to work in cooperation with the Santa Cruz County Regional Transportation Commission, the Association of Monterey Bay Area Governments, and Santa Cruz County to reduce VMT. Policy M-3.18 Vehicle Miles Traveled Standards and CEQA Evaluation and Policy M-3.19 Projects with Significant Vehicle Miles Travelled Impacts requires to City to evaluate General Plan land use designation changes, zone changes, and discretionary development for their individual (i.e., project-specific) and cumulative transportation impacts based VMT under CEQA and prohibit such projects unless:

There are no feasible mitigation measures available that would reduce the impact to a less than significant level; and the City's decision-making body, after balancing as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of the project against its unavoidable transportation impact and any other environmental risks, determines that the benefits of the project outweigh the unavoidable adverse environmental impacts and adopt a statement of overriding considerations pursuant to CEQA.

Furthermore, the City's VMT Implementation Guidelines identifies strategies to reduce VMT through a variety of methods. These include but are not limited to:

- Facilitating the efficient use of existing transportation facilities;
- Striving to provide viable modal choices that make driving alone an option rather than a necessity;
- Supporting variable work schedules to reduce peak period VMT, and
- Providing more direct routes for pedestrians and bicyclists.

While the above referenced goals and policies, and the City's VMT Implementation Guidelines, identifies strategies to reduce VMT, the General Plan EIR concluded that impacts associated with implementation of the General Plan would not be reduced to less than significant due to the increased development, new roadways, and increased use of the City's and regional transportation system. While project-level impact mitigation shall be analyzed to reduce the significance of VMT-related impacts and the City VMT Implementation Guidelines will be continually improved and innovated to require VMT reduction to the extent feasible, this impact would be significant and unavoidable.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals,

policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

It is noted that impacts associated with implementation of the Project would not be reduced to less than significant due to the increased development, new roadways, and increased use of the City's and regional transportation system. While project-level impact mitigation shall be analyzed to reduce the significance of VMT-related impacts and the City VMT Implementation Guidelines will be continually improved and innovated to require VMT reduction to the extent feasible, this impact would be remain significant and unavoidable. Therefore, there would be **no new impact**.

Roadway Hazards and Emergency Access (c and d)

Implementation of the General Plan would not directly result in new development. The General Plan does not include new roads or road alignments and thus would not create or increase hazards due to a road or intersection design. Furthermore, Goal M-4 through Goal M-7 and associated policies requires the City to provide a roadway, bicycle, and pedestrian facilities that enhances the community support safe and functional mobility. Therefore, the General Plan EIR concluded that there would be no impact.

Access via public roadways to future development associated with the Project would remain unchanged and would be adequate for emergencies.

Conclusion

N**o Impact**.

5.17 Tribal Cultural Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?			X	
ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?			X	
b) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
that is: i) Listed or eligible for listing in the California				

5.17.1 Discussion

Tribal Consultation (a and b)

The California Public Resources Code section 21084.2 establishes that "[a] project with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource is a project that may have a significant effect on the environment." The requirements for review of impacts to tribal cultural resources (TCR) require that the City provide notice of specific development projects to local Native American tribes in accordance with AB 52 and to determine whether tribal cultural resource(s) are present within the project area, and if so, whether or not those resources would be significantly impacted by the project.

Assembly Bill (AB) 52 requires that California lead agencies consult with a California Native American tribe that is traditionally and culturally affiliated with the geographic area of a project, if so, requested by the tribe. AB 52 also specifies that a project with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource (TCR) is a project that may have a significant effect on the environment. Defined in Section 21074(a) of the Public Resources Code, a TCR is a site feature, place, cultural landscape, sacred place, or object, which is of cultural value to a California Native American tribe and is either listed in or eligible for listing in the California Register of Historical Resources or a local historic register, or the lead agency, at its discretion, chooses to treat the resource as a TCR.

Because the General Plan is a programmatic document that does not propose specific development projects, no consultation is required.

The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific tribal cultural resource impacts relative to future development proposals associated with implementation of the Project. Instead, a case-by-case review of future development proposals associated with implementation of the Project would be carried out to confirm the absence or presence of tribal cultural resources, as applicable, and that the future development proposals are consistent with all applicable General Plan goals and policies and Municipal Code regulations relative to tribal cultural resources.

Conclusion

No Impact.

5.18 Utilities and Service Systems

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?			X	
b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?			X	
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			X	
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?			X	
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?			X	

5.18.1 Discussion

Utilities and Treatment Facilities (a and c)

Existing water, sanitary sewer (wastewater, sewer), storm drain, electrical, natural gas, and telecommunications facilities exist in the City of Scotts Valley.

The General Plan EIR concluded that the City and their affiliated service providers have adequate capacity to serve anticipated growth associated with the implementation of the General Plan. No new or expanded water or wastewater treatment facilities, storm drainage, or solid waste disposal facilities and impacts would be less than significant and no mitigation is required.

Future development proposals would be required to comply with the applicable water supplier's rules and regulations regarding water connection, service, and conservation, as well as the Scotts Valley Fire Protection District requirements relative to the size of water lines and systems necessary to provide adequate fire flow service to development.

Future development proposals would also be required to install or relocate, as applicable, on-site and off-site water, wastewater, storm drain, street, electricity, natural gas, and telecommunications infrastructure to serve the development.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Water Supply (b)

State law requires an urban water supplier (supplier), providing water for municipal purposes to more than 3,000 urban connections/customers or providing more than 3,000 acre-feet annually, to adopt an Urban Water Management Plan (UWMP) every five years demonstrating water supply reliability in normal, single dry, and multiple dry water years.

According to the joint San Lorenzo Valley Water District and Scotts Valley Water District's 2020 Urban Water Management Plan (UWMP), metered water demand was 1,333 afy. 2020 water demand was 1,393 afy. By 2040, the SVWD projects a net surplus of 177 acre-feet per year

during the normal year, 164 acre-feet per year during the single, and 160 acre-feet per year during the fifth year of a multiple dry-year event.

The annual yield for the Scotts Valley groundwater management area of the Santa Margarita Groundwater Basin is estimated at 2,600 afy and the yield is shared among SVWD, SLVWD, and other private well pumpers. Regardless, the projected SVWD 2035 demand uses the 1994 General Plan development capacity projections which are greater than the General Plan and would not exceed the demand of projections of the SVWD.

The General Plan EIR concluded that projected future water demand would not exceed the potable system capacity and no new infrastructure in support of the new development would be required and impacts would be less than significant and no mitigation is required.

Adoption and implementation of the Project would not adversely affect the ability of the domestic water providers - SVWD or the SLVWD - to have sufficient water supplies available during normal, dry, and multiple dry year conditions for future development associated with implementation of the Project.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Solid Waste (d and e)

The City of Scotts Valley Uses GreenWaste Recovery, a private contractor, provides weekly collection of garbage, recyclable materials, and yard trimmings for residents and businesses. Waste is transported to the Monterey Peninsula Landfill, which is operated by ReGen Monterey and is located in Marina in Monterey County. The landfill has a maximum capacity of 49,700,000 cubic yards of solid waste, with approximately 48,560,000 cubic yards of remaining capacity and is permitted to receive 3,500 tons of solid waste per day (CalRecycle, 2020). According to ReGen, the landfill has enough capacity for more than 100 years of waste disposal.

General Plan Goal CSF-1 and associated policies set forth measures to provide reliable and cost-effective water, wastewater, and solid waste management services that is sustainably managed. The General Plan EIR concluded that the City and their affiliated service providers have adequate capacity to serve anticipated growth associated with the implementation of the

General Plan. No new or expanded solid waste disposal facilities and impacts would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.19 Wildfire

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?			X	
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?			X	
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
result in temporary or ongoing impacts to the environment?				
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?			X	

5.19.1 Discussion

Impair an Adopted Emergency Response/Evacuation Plan (a)

Similar to the no impact conclusions in the General Plan EIR, implementation of the Project would not directly result in new development nor significant change existing land uses. Policy CSF-2.6: Emergency Preparedness Planning requires the City to maintain an emergency operations plan and emergency operations center to prepare for actual or threatened conditions of disaster or extreme peril.

Conclusion

No Impact.

Wildfire Risks (b)

Similar to the conclusions in the General Plan EIR, implementation of the Project would not directly result in new development nor significant change existing land uses. Goal SN-1 and associated policies set forth measures to human life and prosperity and to minimize injury, economic damage, and social dislocation resulting from disasters related to fire. In particular:

Policy SN-1.6: Fire Protection Problem Areas requires that in fire protection problem areas, development shall be permitted only after mitigation measures satisfactory to the Scotts Valley Fire District are developed to prevent or control spread of fire and provide life safety to occupants as recommended by the fire district.

Policy SN-1.7: Fire Protection Management requires the continued operation of California Department of Forestry and Fire Protection (CalFire) programs for fuel breaks, brush management, controlled burning, re-vegetation, and fire roads.

Policy SN-1.13: Fire Safety Systems requires the City, in cooperation with the fire district, to require that all buildings constructed include fire safety features, such as automatic fire

sprinkler system, class "C" or better roof cover for structures in the non-wildland fire hazard area/Local Responsibility Area (LRA), Class "B" or better roof covering for moderate or high wildland fire hazard area/ State Responsibility Area (SRA), fire detection, and alarm systems.

In February of 2025, California issued a revised map identifying Fire Hazard Severity Zones (FHSZ) in Local Responsibility Areas for the City of Scotts Valley. As shown in Figure 6 Local Responsibility Area Fire Hazard Severity Zones, upland areas surrounding the more urbanized valley floor are identified as "High" or "Moderate" FHSZs and will require compliance with General Plan Policy SN-1.13 and other applicable City and State fire protection requirements.

The General Plan EIR concluded that given the fact that the City is an established urban community that is largely built out and that the General Plan includes goals and policies to minimize injury, economic damage, and social dislocation resulting from disasters related to fire, impacts would be less than significant and no mitigation is required.

Future development associated with the Project would expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands. Implementation the relevant General Plan policies would help reduce impacts.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Installation or Maintenance of Infrastructure That May Exacerbate Fire Risk (c and d)

As noted above, the General Plan includes goals, policies, and actions relative to state responsibility areas.

The California Department of Forestry and Fire Protection (CAL FIRE) is focused on fire protection and stewardship of over 31 million acres of California's privately-owned wildlands. Preventing wildfires in the State Responsibility Area (SRA) is a key component of CAL FIRE's mission, and in more recent decades, CAL FIRE has adapted to the evolving destructive wildfires and succeeded in significantly increasing its efforts in fire prevention. CAL FIRE's Fire Prevention Program consists of multiple activities including wildland pre-fire engineering, vegetation management, fire planning, education and law enforcement. Typical fire prevention projects

include brush clearance, prescribed fire, defensible space inspections, emergency evacuation planning, fire prevention education, fire hazard severity mapping, and fire-related law enforcement activities. The Office of the State Fire Marshall has the responsibility for Fire and Resource Assessment Program (FRAP), inclusive of the fand preparing the Fire Hazard Severity Zone (FHSZ) mapping.

CAL FIRE has mapped the relative wildfire risk in areas of large population by intersecting residential housing density with proximate fire threat according to three risk levels, namely Moderate, High, and Very High. Wildfires are large-scale brush and grass fires in undeveloped areas. As shown in General Plan EIR Figure SN-1: Fire Hazard Area, portions of the hillside areas of the City are located in Fire Hazard Areas within a Local Responsibility Area (LRA). Per the updated CAL Fire Santa Cruz County State Responsibility Area (SRA) Fire Hazard Severity Zones dated June 15, 2023, the City of Scotts Valley is not located within a Local SRA but is located within a Fire Protection Responsibility Area (Non-SRA) – Local Responsibility Area. [2] The City of Scotts Valley is outside a State Responsibility Area (SRA) per Fire Hazard Severity Zones viewer in State Responsibility Area. [3]

The General Plan EIR concluded that under extreme conditions such as a lightening fire, or severe fire conditions due to a prolonged drought, a fire(s) could occur in the hillsides within the Planning Area and cover a broad that could potentially result in downstream flooding or landslides, post-fire instability, or drainage changes. Such conditions would be monitored and managed by the Scotts Valley Fire District, Cal Fire, and Santa Cruz County, and are not a direct impact associated with future development under the General Plan. Therefore, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

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[2] CAL FIRE, Fire Hazard Severity Zones in State Responsibility Area - Santa Cruz County (ca.gov), accessed March 27, 2025.
[3] CAL FIRE, Fire Hazard Severity Zones (ca.gov), accessed March 27, 2025

5.20 Mandatory Conclusion of Significance

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Does the project:				
a) Have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			X	
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?			X	
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?			X	

5.20.1 Discussion

As discussed in the individual sections, the Project would not degrade the quality of the environment, including effects on animals or plants.

As described in the Biological Resources section, the project would comply with the City of Scotts Valley Zoning Ordinance Section 17.44.080 Tree Protection Regulation which regulates the protection and removal of protected trees.

Consistent with Section 17.44.130 – Cultural Resource Protection, all future development would be subject to City review to protect the interest of the public by providing for the identification, protection, enhancement, perpetuation and use of archaeological resources and sites within the City that reflect special elements of the City's prehistoric and historic archaeological heritage. This includes retaining a Professional Archaeologist on an “on-call” basis during ground disturbing construction to review, identify and evaluate any potential cultural resources that may be inadvertently exposed during construction.

As described in the environmental resource sections of this Initial Study, the project would not have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly.

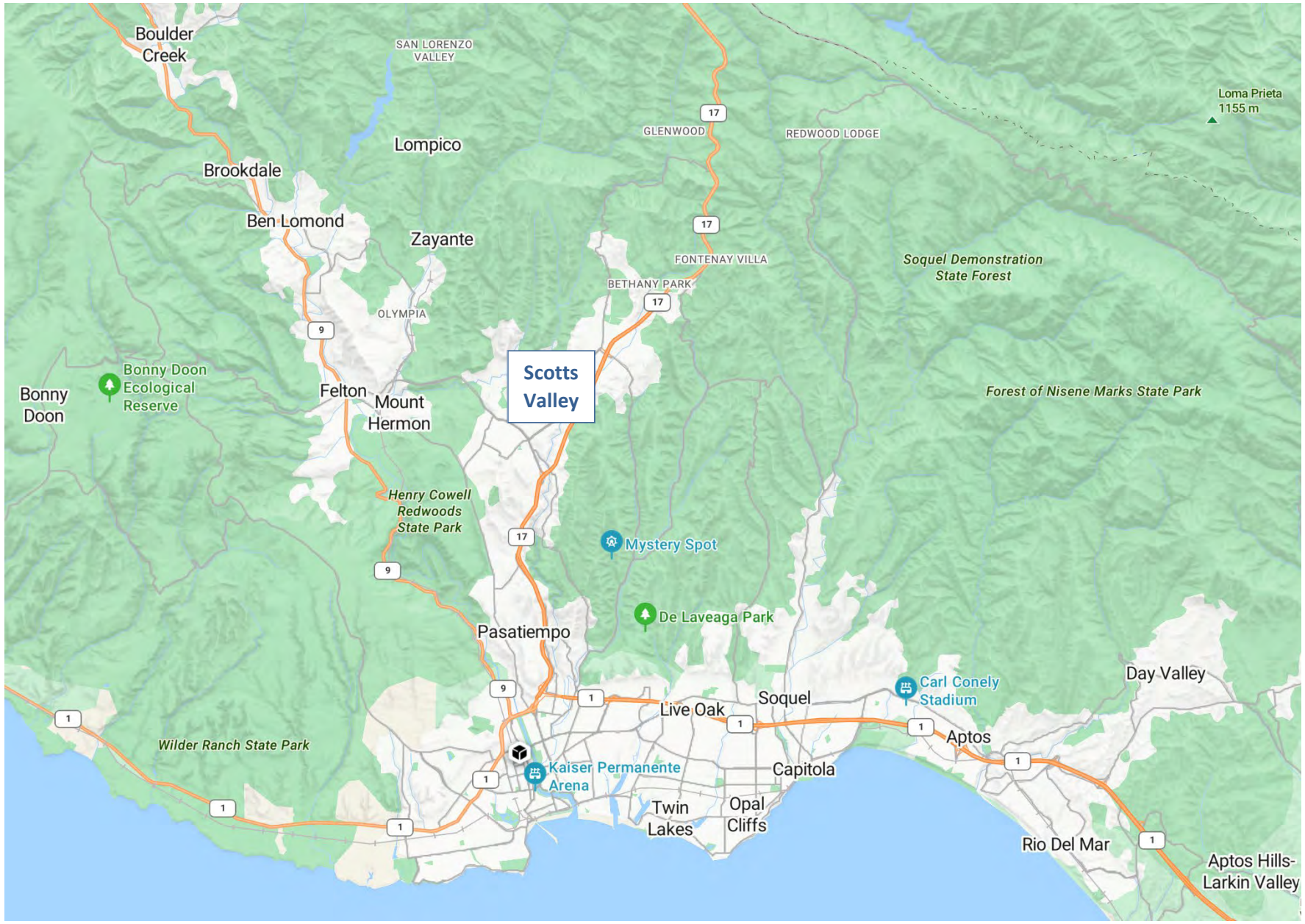
The Project would result in temporary air quality and noise impacts during construction. With the implementation of the identified Standard Conditions of Approval, and consistency with adopted City policies, construction impacts associated with future development would be mitigated to a less than significant level. As described above, these impacts would be temporary, and the project would not have cumulatively considerable impacts on air quality and noise impacts.

The Project would not cause a significant impact on the environmental resources and would not contribute to cumulative impacts to these resources. Therefore, the project would not cause a cumulatively considerable impact and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.



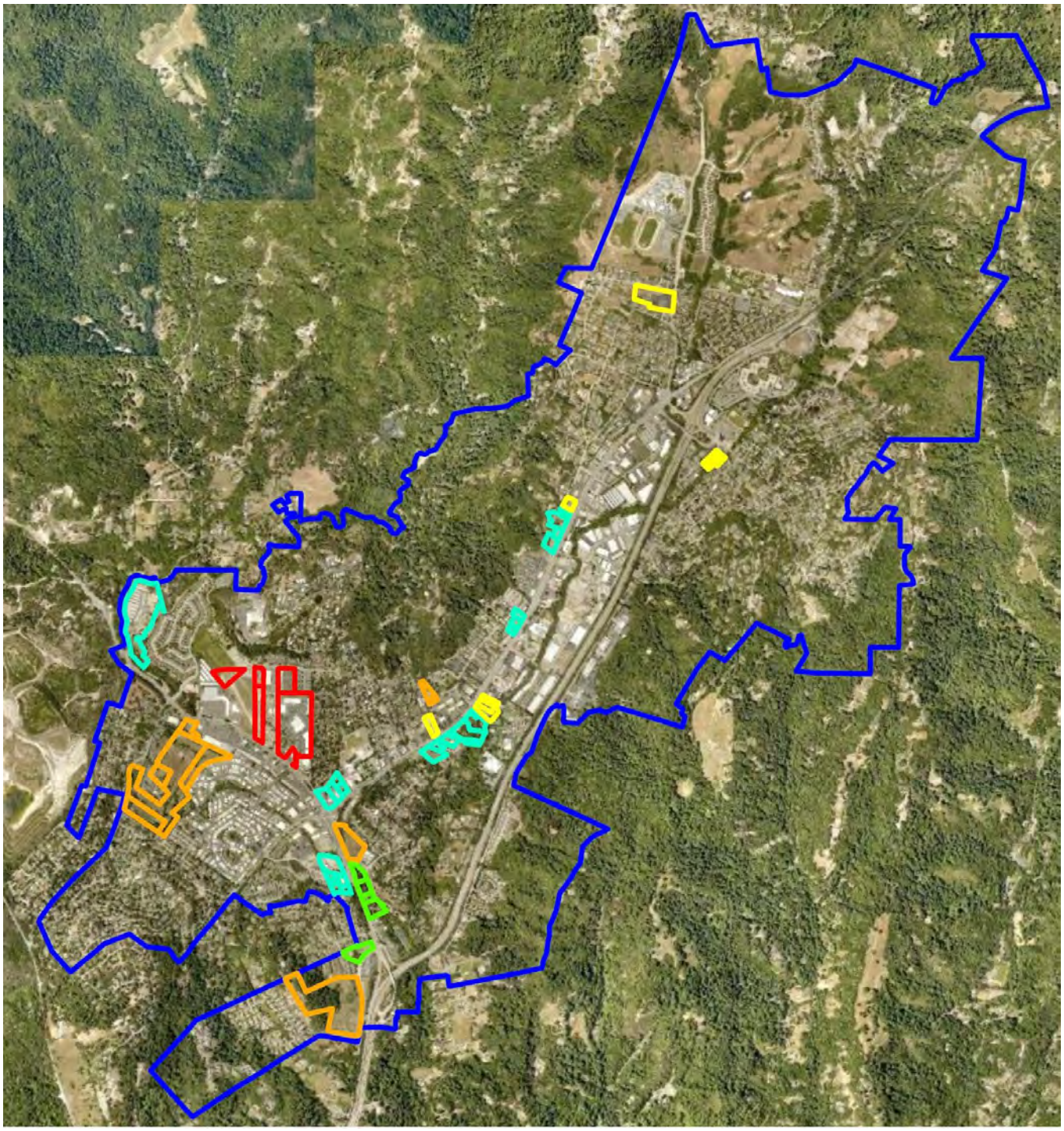
Source: Microsoft Bing Maps, 2025

Not to scale

Figure 1 Regional Location

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



Site Categories

- Pipeline Project
- Town Center
- Existing Residential Capacity
- Mixed-Use Rezone
- Residential Rezone

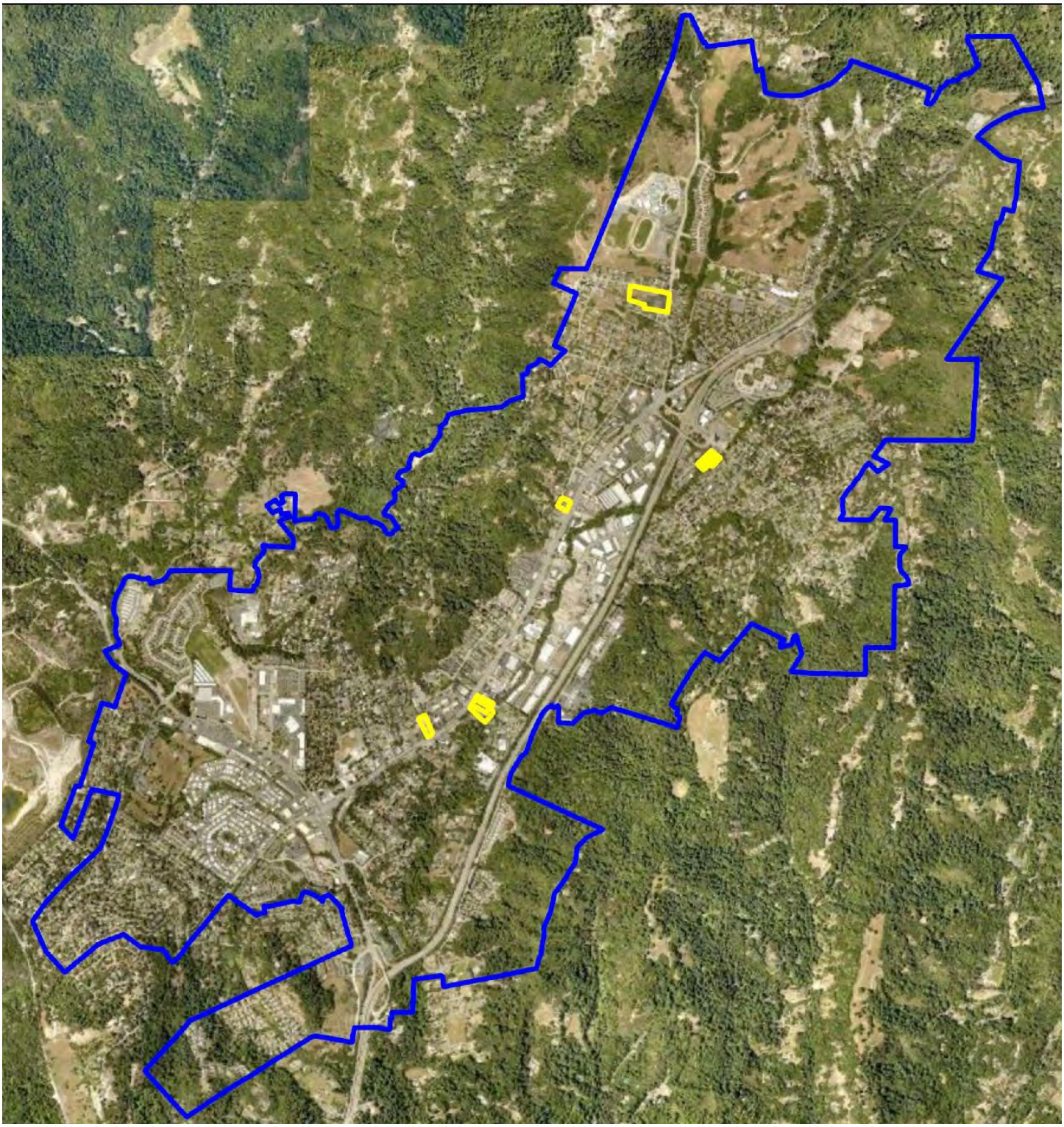
Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

Not to scale

Figure 2: 6th Cycle Housing Element Sites Inventory – All Sites

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



Residential Rezone

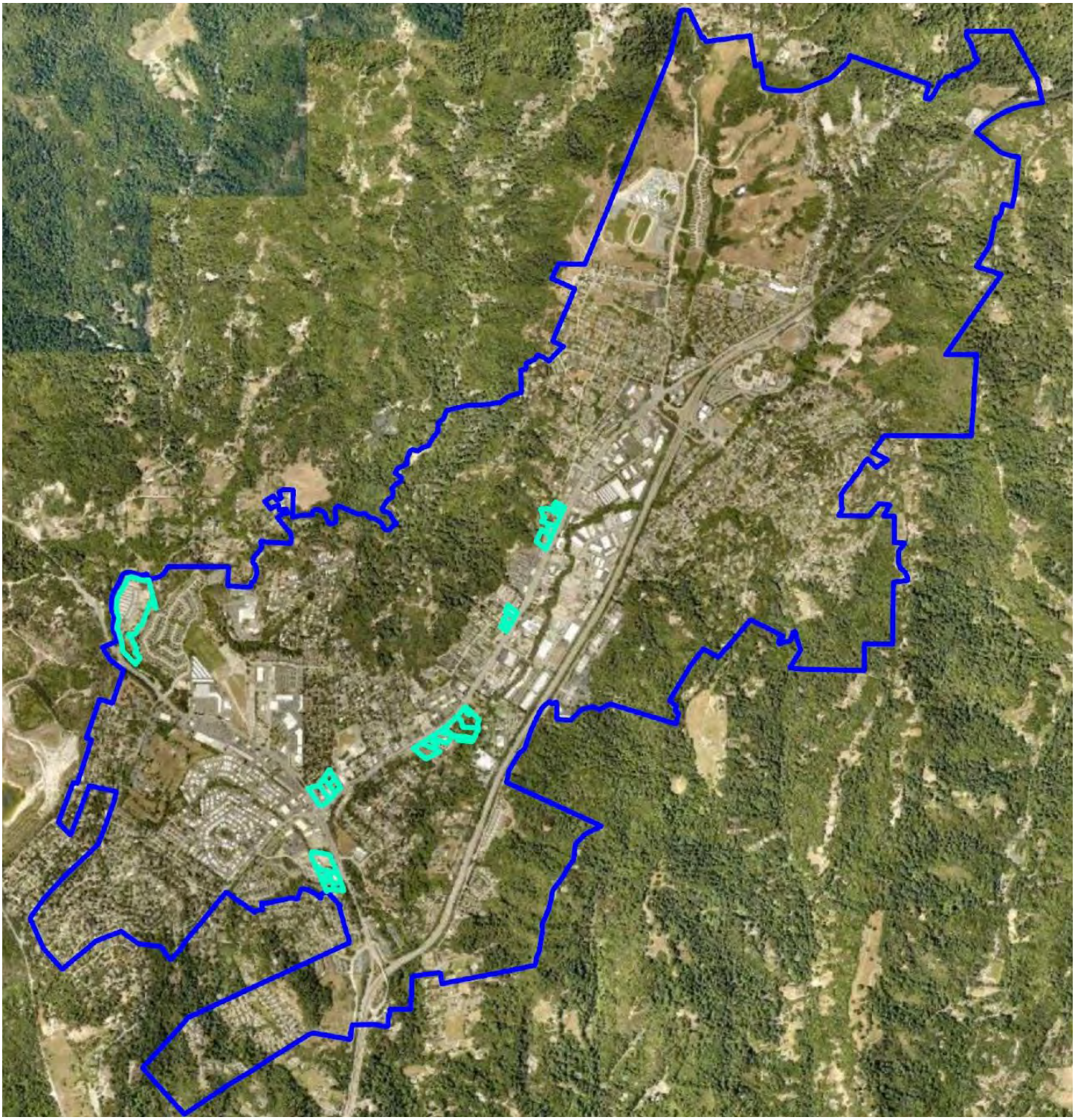
Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

Not to scale

Figure 3 Residential Rezone Sites

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



Mixed-Use Rezone

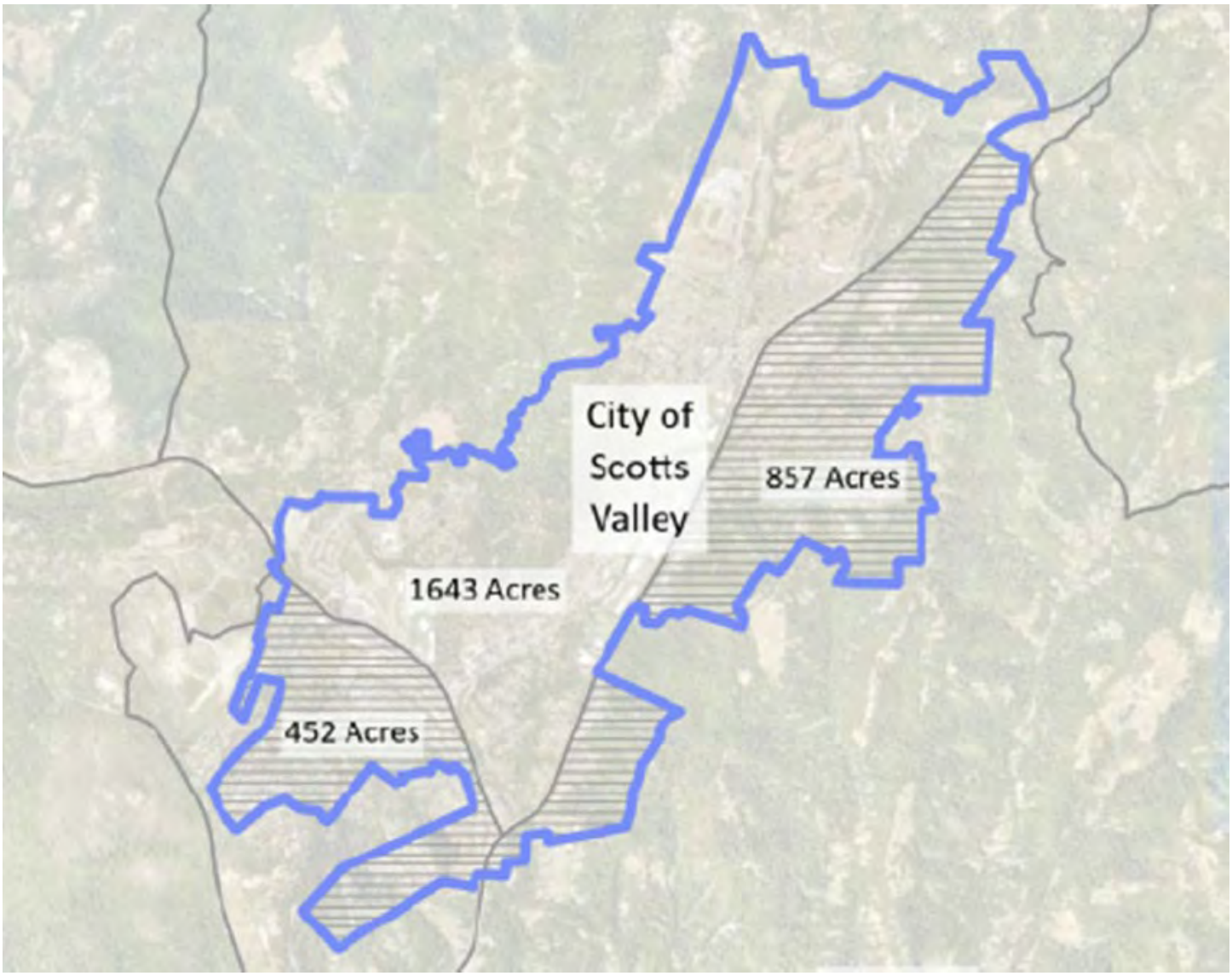
Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

Not to scale

Figure 4 Mixed-Use Rezone Sites

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



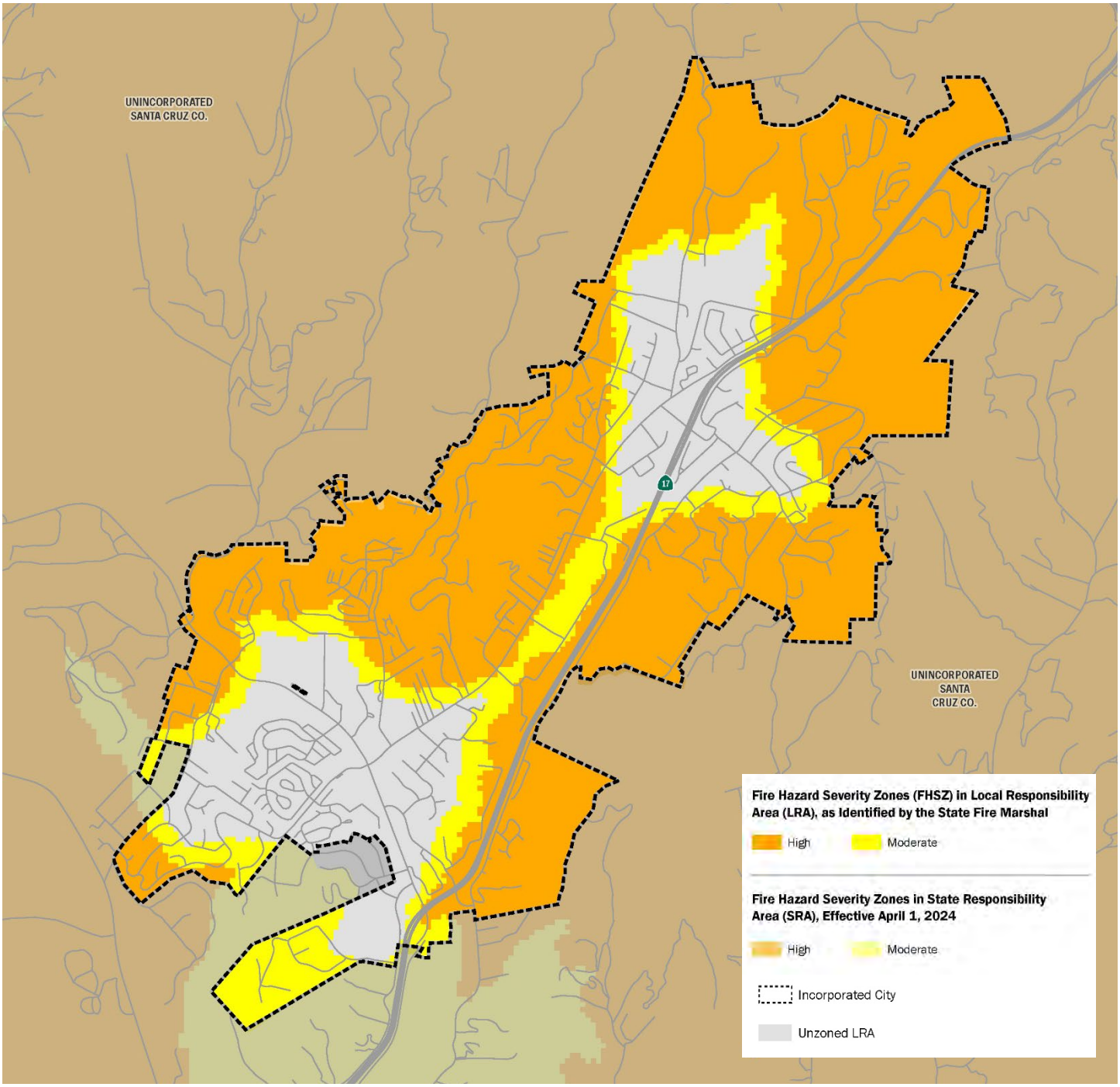
Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

Not to scale

Figure 5 Racially Concentrated Areas of Affluence (RCAAs)

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



Source: Cal Fire, 2025

Not to scale

Figure 6 Local Responsibility Area Fire Hazard Severity Zones

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study

RESOLUTION NO. 1119.38

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY TO APPROVE GENERAL PLAN AMENDMENT NO. GPA25-001 TO IMPLEMENT THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN

WHEREAS, on December 20, 2023, the City Council adopted the 2023-2031 Housing Element of the General Plan (Housing Element);

WHEREAS, Housing Element Program H-1.1 requires the City to rezone properties to provide adequate sites for the City's 2023-2031 regional housing needs allocation (RHNA);

WHEREAS, Ordinance No. 16.142.1 amends the Zoning Code to rezone properties consistent with Housing Element Program H-1.1;

WHEREAS, amendments to the General Plan Land Use Element are needed to maintain consistency with the Zoning Code as amended by Ordinance No. 16.142.1;

WHEREAS, the Highway 17 Access Management Plan (California Department of Transportation, 2016) identifies driveways located on Highway 17 in Scotts Valley as hazardous conflict points with heightened potential for traffic collision facilities and serious injuries; and

WHEREAS, General Plan Mobility Element Policy M-3.20 states that where a proposed project would require direct access to/from Highway 17, the City shall confirm that it is consistent with Caltrans' Access Management Plan.

WHEREAS, further clarification is needed in the General Plan that existing City policy prohibits the creation of all new unit development on properties accessed solely from hazardous Highway 17 conflict points as identified in the Highway 17 Access Management Plan;

WHEREAS, the Planning Commission adopted Resolution No. 1804.1 recommending adoption of General Plan Amendment No. GPA25-001 to maintain consistency with the Zoning Code and clarify unit development restrictions on properties accessed solely from highway 17; and

WHEREAS, the City Council held a duly noticed public hearing on June 4, 2025 on the proposed General Plan Amendment at which the public were granted an opportunity to provide oral and written testimony; and

WHEREAS, at the public hearing on June 4, 2025, before introducing this Resolution, the City Council adopted Resolution No. 1119.37 to approve the Addendum to the General Plan Update Environmental Impact Report (SCH 2020070330) for the proposed General Plan Amendments, finding, among other things, that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the proposed General Plan Amendments would not result in any significant impacts not considered under the original EIR.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Scotts Valley as follows:

1. The above recitals are true and correct and incorporated herein by reference.

2. The City Council approves revisions to Table LU-2 in the Land Use Element of the Scotts Valley General Plan as shown in Exhibit A.

3. The City Council approves revisions to the Mobility Element of the Scotts Valley General Plan to add a new Policy M-3.21 to read as follows:

   "Policy M-3.21: Highway 17 Access Hazards. Any development that would create one or more new dwelling units is not permitted where vehicle access to the site is provided solely from Highway 17 at the following locations as identified in the Highway 17 Access Management Plan (California Department of Transportation, 2016):

   a. Driveway at PM 6.712 (Map ID #24)

   b. Crescent Drive (Map ID #25)

   c. Driveway at PM 6.485 (Map ID #26)

   d. Sawyer Circle (PM: 6.787)"

4. The City Council finds the General Plan Amendment consistent with state law. The Land Use Element amendment is needed for consistency with state housing laws as reflected in the Housing Element as certified by the California Department of Housing and Community Development. The Mobility Element Amendment lawfully protects the public health, safety, and welfare by limiting new unit development in identified high traffic hazard areas. New Policy M-3.21 is necessary to protect public safety given the hazardous traffic conditions caused by driveways located off Highway 17 as described in Highway 17 Access Management Plan (California Department of Transportation, 2016). This policy is also necessary to ensure adequate and safe access and evacuation in case of an emergency in locations prone to wildfire and geologic hazards.

5. The City Council finds the General Plan Amendment consistent and compatible with the rest of the General Plan. The Land Use Element amendment resolves inconsistencies between Housing Element programs and the description of land use designations. The Mobility Element Amendment is consistent with Mobility Element Policy M-3.20: "Where a proposed project would require direct access to/from Highway 17, [the City shall] confirm that it is consistent with Caltrans' Access Management Plan.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of June, 2025, by the following vote:

AYES:

NOES:
ABSENT:
ABSTAIN:

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

EXHIBIT A: Proposed General Plan Amendments

1. *Proposed revisions to Table LU-2 beginning on page LU-14 in the Land Use Element of the Scotts Valley General Plan (revisions shown in underline strikethrough):*

Table LU-2: General Plan Land Use Designations

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[4]
Residential				
Mountain	R-MT-5	1 du / 5 acres	Primarily for hillside areas of the city where environmental constraints require development at lower densities.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Rural	R-R-2.5	1 du / 2.5 acres	To provide areas for large- lot residential living and minor agricultural activities. To preserve, to the greatest extent feasible, the natural topography while creating a living environment which best serves the needs of its residents.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Estate	R-1-40	1 du /acre	To provide areas for single-family residential development where lot sizes and densities are designed to accommodate large areas of open space for recreational activities compatible with a residential environment.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Low	R-1-20	2 dus/acre	To provide areas for households that desire rural/suburban living with a range of housing options and are designed to accommodate areas of	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[4]
			open space for recreational activities compatible with a residential environment.	▪ Compatible public, quasi- public, and special uses
Medium	R-1-10	2 - 5 dus/acre	To provide areas for households that desire suburban living with a range of housing options, and to provide opportunities for limited neighborhood support uses and amenities.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Medium High	R-M-6 and R-M-8	5 - 9 dus/acre	To provide areas for households that desire suburban living with a range of housing options, and to provide opportunities for neighborhood support uses and amenities.	▪ Single-family attached and detached dwellings ▪ Townhouses and condominiums ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
High	R-H	9 - 15 dus/acre	To provide areas for households that desire urban living within a compact and walkable neighborhood and provide opportunities for neighborhood support uses and amenities.	▪ Single-family attached dwellings ▪ Townhouses and condominiums ▪ Apartments ▪ Limited neighborhood- serving commercial ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Very High	R-VH	15.1 - 20 dus/acre	To provide areas for households that desire dense urban living within a compact, walkable neighborhood that is served by transit, and to provide opportunities for neighborhood support uses and amenities.	▪ Townhouses and condominiums ▪ Apartments ▪ Neighborhood-serving commercial ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[4]
				▪ Compatible public, quasi- public, and special uses
Commercial				
Professional	C-P	35%	To provide areas for administrative, business and professional offices in which merchandise is not manufactured or sold.	▪ Professional services and office ▪ Compatible public, quasi- public, and special uses
Service	C-S	45%	To provide areas for convenient retail and service establishments that serve neighborhood and local populations and are served by transit and quality bicycle and pedestrian-friendly facilities.	▪ Retail, professional services, and office ▪ Compatible public, quasi- public, and special uses ▪ Very High residential (mixed- use) is permitted providing adjacent uses are compatible and the residential use is secondary to the retail use (i.e., consists of no more than 49% of the total gross square feet of the development).[4]
Shopping Center	C-SC	35%	To provide areas for urban centers with retail and services, office, and mixed-use establishments that serve local and regional populations, and are well served by transit and quality bicycle and pedestrian-friendly facilities.	▪ Retail, service, office ▪ Public gathering places such as plazas and courtyards ▪ Compatible public, quasi- public, and special uses ▪ Very High residential (mixed- use) is permitted providing adjacent uses are compatible and the residential use is secondary to the retail use (i.e., consists of no more than 49% of the total gross square feet of the development).[4]
Industrial				

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[4]
Light Industrial	I-L	50%	To provide areas for manufacturing, product assembly, warehousing and supporting uses and amenities.	▪ Industrial or manufacturing ▪ Office, retail and service uses that provide support to employees ▪ Compatible public, quasi- public, and special uses This designation should not be located adjacent to a residential or commercial use without substantial buffers
Industrial R&D	PD	n/a	To provide areas that involve activities related to corporate or governmental innovation involved in scientific and applied research, technology, and product design and development.	▪ Compatible public, quasi- public, and special uses ▪ Applies to the Enterprise Technology Center
Heavy Industrial	n/a		To provide areas that involve intensive manufacturing, mining and quarrying of minerals that due to their intensity of use are less compatible with residential and commercial categories	▪ Mining / quarry ▪ Chemical manufacturing
Other				
Public / Quasi-Public	P	n/a	To provide public facilities that are necessary or desired for public health, safety, and welfare and quasi-public facilities that serve the broader community.	▪ Public and private educational facilities ▪ Emergency services ▪ Health care facilities ▪ Religious facilities ▪ Governmental buildings ▪ Cultural facilities
Open Space / Conservation	OS	n/a	To provide areas for the conservation and sustainable use of the community's natural or scenic resources.	▪ Wetlands and open water ▪ Plant and wildlife habitats ▪ Timber production zones ▪ Floodplains ▪ Active and passive recreation facilities ▪ Greenways and trails ▪ Areas with permanent open space easements

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[4]
				▪ Buffers between developed areas ▪ Golf courses and commercial outdoor recreation facilities Farmlands and grazing areas ▪ Compatible public, quasi- public, and special uses
Special Treatment Areas	PD	n/a	To provide overlay designations for areas where planned developments or some form of special treatment is required for allow future development.	▪ Land uses are variable. See Special Treatment Areas discussion, below.

Notes:

(1) Residential – maximum dwelling units/gross acre. Commercial – maximum building coverage.

(2) n/a – Not applicable.

(3) On sites listed in Housing Element Table F-10: Scotts Valley 6th Cycle Candidate Sites, excluding APN 023-113-31 and 022-231-18 and properties within the Town Center Specific Plan area, the residential density, commercial building coverage, and potential land uses are as specified in Zoning Code Chapter 17.41 (Housing Element Opportunity Site Combining District.

(4) In the Mixed Use Rezone sites listed in Housing Element Table F-10, residential uses must consist of no more than 70 percent of the total gross square feet of the development. On Residential Rezone sites, there is no limit on the percent of development floor area that may be residential (i.e., residential-only development is allowed).

2. *Proposed new General Plan Mobility Element Policy:*

Policy M-3.21: Highway 17 Access Hazards. Any development that would create one or more new dwelling units is not permitted where vehicle access to the site is provided solely from Highway 17 at the following locations as identified in the Highway 17 Access Management Plan (California Department of Transportation, 2016):

a. Driveway at PM 6.712 (Map ID #24)

b. Crescent Drive (Map ID #25)

c. Driveway at PM 6.485 (Map ID #26)

d. Sawyer Circle (PM: 6.787)

ORDINANCE NO. 16.142.1

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING SCOTTS VALLEY MUNICIPAL CODE TITLE 16 (SUBDIVISIONS) AND TITLE 17 (ZONING) TO IMPLEMENT HOUSING ELEMENT PROGRAMS

WHEREAS, on December 20, 2023, the City Council adopted the 2023-2031 Housing Element of the General Plan (Housing Element);

WHEREAS, the Housing Element contains programs that call for the City to amend Municipal Code Title 17 (Zoning Code) to implement Housing Element goals and policies;

WHEREAS, the Planning Commission held a study session on March 13, 2025 to provide preliminary input on an approach to Zoning Code Amendments to implement the Housing Element;

WHEREAS, City staff used Planning Commission input to prepare amendments to the Scotts Valley Municipal Code Title 17 (Zoning), Title 16 (Subdivisions) to implement the Housing Element;

WHEREAS, the Planning Commission held a duly noticed public hearing on May 15, 2025 at which time it considered all evidence presented, both written and oral, and at the end of the hearing voted to recommend that the City Council adopt this Ordinance; and

WHEREAS, the City Council held a duly noticed public hearing on this Ordinance on June 4, 2025, at which time it considered all evidence presented, both written and oral.

WHEREAS, at the public hearing on June 4, 2025, before introducing this Ordinance, the City Council adopted Resolution No. 1119.37 to approve the Addendum to the General Plan Update Environmental Impact Report (SCH 2020070330) for this Ordinance, finding, among other things, that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the proposed General Plan Amendments would not result in any significant impacts not considered under the original EIR.

NOW, THEREFORE, the City Council of the City of Scotts Valley does hereby ordain as follows:

Section 1. Section 16.78.030, Permitting process, of Chapter 16.78, Urban lot splits, of Title 16, Subdivisions, of the Scotts Valley Municipal Code is hereby amended to read as follows:

"16.78.030 Permitting process.

A. Parcel Map Required. A parcel map is required for all urban lot splits pursuant to Government Code Section 66411.7.

B. Eligibility. The city shall accept a parcel map application for an urban lot split only if the application complies with all of the following requirements.

1. Zoning District. The existing parcel is located in the R-1 Single-Family Residential, R-R Residential-Rural, or R-MT Residential-Mountain zoning district.

2. Existing Parcel Size. The area of the existing parcel is two thousand four hundred square feet or more.

3. Environmental Resources and Hazards. The parcel satisfies the requirements of Government Code subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4, which prohibits development on sites subject to specified environmental resources and hazards.

4. Affordable and Rental Housing. The proposed urban lot split would not require demolition or alteration of any of the types of housing identified in Government Code paragraph (3) of subdivision (a) of Section 65852.21.

5. Historic Resources. The parcel is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code.

6. No Prior Urban Lot Split.

   a. The parcel was not established through a prior urban lot split.

   b. Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an urban lot.

C. Application Contents. A parcel map application for an urban lot split must be filed with the city on an official city application form. Applications shall be filed with all required fees, information, and materials as specified by the city.

D. Ministerial Approval. The city shall ministerially approve a parcel map for an urban lot split if the application complies with all requirements of this chapter. No public hearing or discretionary review is required.

E. Subdivision Map Act Compliance. The city shall approve an urban lot split only if it conforms to all applicable objective requirements of the subdivision map except as otherwise provided in this chapter.

F. Time Period for City Action.

1. The City shall approve or deny the urban lot split application within 60 days from the date the City receives a completed application. If the applicant requests a delay in writing, the 60-day time period shall be tolled for the period of the delay.

2. If the City does not approve or deny the completed application within 60 days, the application shall be deemed approved.

~~F~~G. Basis for Denial.

1. The city shall deny the urban lot split if either of the following is found:

   a. The urban lot split fails to comply with any requirement in this chapter. Any such requirement that is the basis for denial shall be specified by the city in writing.

      b. The building official makes a written finding, based upon a preponderance of the evidence, that the proposed subdivision would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Government Code Section 65589.5 of the Government Code, upon public health and safety ~~or the physical environment and~~ for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

2. The city shall not deny an urban lot split solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

3. For purposes of this chapter, "sufficient for separate conveyance" means that each attached or adjacent dwelling unit is constructed in a manner adequate to allow for the separate sale of each unit in a common interest development as defined in Civil Code Section 1351 (including a residential condominium, planned development, stock cooperative, or community apartment project), or into any other ownership type in which the dwelling units may be sold individually.

H. Comments for Denied Application.

1. If the City denies an urban lot split application, the City shall provide written comments to the applicant that list the items that are defective or deficient and describe how the application can be remedied by the applicant.

2. Written comments required by Paragraph 1 above shall be provided to the applicant within the time period described in Subsection F (Time Period for City Action) of this section.

~~G~~I. Conditions of Approval.

1. Easements. The city shall condition parcel map approval on the dedication of any easements deemed necessary for the provision of public services to the proposed parcels and any easements deemed necessary for access to the public right-of-way.

2. Dedications and Improvements. The city shall not require dedications of rights- of-way or the construction of offsite improvements for the parcels being created as a condition of parcel map approval.

3. Nonconforming Zoning Conditions. The city may not require the correction of nonconforming zoning conditions on the parcel a condition of parcel map approval."

Section 2. The Table of Contents for Chapter 17.41, Housing Element Opportunity Site Combining District, of Title 17, Zoning, of the Scotts Valley Municipal Code, is hereby amended to read as follows:

"Chapter 17.41 HOUSING ELEMENT OPPORTUNITY SITE COMBINING DISTRICT

17.41.010 Purpose

17.41.020 Applicability.

17.41.030 Permitting Process

17.41.040 Permitted Uses

17.41.050 ~~Density~~Development Standards

17.41.050 Lot Consolidation Incentives

17.41.0~~5~~70 Replacement Units for Non-Vacant Sites

17.41.08~~6~~0 Sunset"

Section 3. The Table of Contents for Chapter 17.44, General and Special Provisions, of Title 17, Zoning, of the Scotts Valley Municipal Code, is hereby amended to read as follows:

"Chapter 17.44 – GENERAL AND SPECIAL PROVISIONS

17.44.020 - Commercial and industrial performance standards.

17.44.030 - Off-street parking and loading requirements.

17.44.040 - Prezoning of unincorporated territory.

17.44.050 - Underground utilities.

17.44.060 - Condominium conversions and condominiums.

17.44.070 - Mobile home park conversion regulations.

17.44.080 - Tree protection regulations.

17.44.100 - Congregate senior housing facilities.

17.44.110 - Emergency shelters.

17.44.120 - Cultural resource preservation commission.

17.44.130 - Cultural resource preservation.

17.44.140 - Historic landmark preservation.

17.44.150 - External antennae.

17.44.170 - Reserved

17.44.180 - Multi-Unit Residential Design Standards

17.44.190 – Employee Housing

17.44.200 – Racially Concentrated Areas of Affluence”

Section 4. The Table of Contents for Chapter 17.55, SB 9 Residential Development, of Title 17, Zoning, of the Scotts Valley Municipal Code, is hereby amended to read as follows:

“Chapter 17.55 - SB 9 RESIDENTIAL DEVELOPMENT

17.55.010 - Purpose and intent.

17.55.020 - Definitions.

17.55.030 - Permitting process.

17.55.040 - General requirements.

17.55.050 - Development standards.

17.55.060 - Objective design standards.

17.55.070 - Deed restrictions.

17.55.080 – SB 9 triplexes.”

Section 5. Section 17.04.070, "D" terms, of Chapter 17.04, Definitions, of Title 17, Zoning, of the Scotts Valley Municipal Code, is hereby amended to add the following definition to read as follows:

> ““Duplex” means a building that contains two dwelling units, each with its own exterior entrance. Each unit within a duplex provides complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.”

Section 6. Section 17.04.230, "T" terms, of Chapter 17.04, Definitions, of Title 17, Zoning, of the Scotts Valley Municipal Code, is hereby amended to add the following

definition to read as follows:

> ""Triplex" means a building that contains three dwelling units, each with its own exterior entrance. Each unit within a triplex provides complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation."

Section 7. Section 17.14.020, Permitted uses, of Chapter 17.14, R-1 Single-Family Residential Zoning District Regulations, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to add a new Subsection I to read as follows:

> "I. Townhouses and condominiums conforming to the density requirements of this chapter located in racially concentrated areas of affluence (RCAA). See Section 17.44.190 (Racially Concentrated Areas of Affluence)."

Section 8. Subsection H of Section 17.14.030, Conditional uses, of Chapter 17.14, R-1 Single-Family Residential Zoning District Regulations, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

> "H. Townhouses and condominiums conforming to the density requirements of this chapter located outside of racially concentrated areas of affluence (RCAA). See Section 17.44.190 (Racially Concentrated Areas of Affluence);"

Section 9. Subsection E of Section 17.20.040, Development standards, of Chapter 17.20, C-S Service Commercial Zoning District Regulations, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

> "E. Maximum building coverage: fifty ~~Forty-five~~ percent;"

Section 10. Subsection E of Section 17.22.040, Development standards, of Chapter 17.22, C-SC Shopping Center Commercial Zoning District Regulations, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

> "Maximum building coverage: fifty ~~Thirty-five~~ percent;"

Section 11. Chapter 17.41, Housing Element Opportunity Site Combining District, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

"17.41.010 Purpose

The purpose of the housing element opportunity site (HE) combining district is to facilitate affordable housing production on opportunity sites identified in the General Plan 6th cycle Housing Element.

17.41.020 Applicability.

The HE combining district applies to the following parcels, where located outside of the Town Center Specific Plan area:

A. -Non-vacant sites listed in General Plan 6th cycle Housing Element Table F-10: Scotts Valley 6th cycle Candidate Sites that were Identified in 5th cycle housing elements.

B. Vacant sites listed in General Plan 6th cycle Housing Element Table F-10: Scotts Valley 6th Cycle Candidate Sites that were Identified in the 4th and 5th cycle housing elements.

C. Residential and Mixed--Use Rezone sites as listed in General Plan 6th cycle Housing Element Table F-10 and shown in Figure F-1, except for APN 023-113-31 and 022-231-18.

17.41.030 Permitting Process

A. Affordable Housing. The following permitting requirements apply to a proposed multiple family residential development project with 20 percent or more of units affordable to lower-income households:

1. The proposed project shall be reviewed by the City through a by-right approval process. As used in this section, by-right approval means that project conformance with objective standards is the sole basis to approve or deny the application. The review authority may not consider project conformance with subjective policies or requirements when acting on the application.

2. The proposed project requires ministerial design review as provided in Section 17.50.045 (Ministerial Design Review).

3. A project that requires a subdivision map must comply with City subdivision requirements and the California Subdivision Map Act (Government Code Sections 66410 – 66499.40).

B. Other Projects. For proposed development projects not specified in Subsection A (Affordable Housing) above, the permitting requirements are as otherwise required by the zoning ordinance and any applicable state law.

17.41.040 Permitted Uses

A. Residential Uses. Multifamily dwellings are a permitted use in the HE combining district, subject to the following:

1 In the Mixed-Use Rezone sites listed in General Plan 6th cycle Housing Element Table F-10, Residential uses must occupy less than 70 percent of the total gross square feet on the property.

2. On Residential Rezone sites, residential-only development (no commercial on site) is permitted.

B. Other Uses. All other permitted, conditionally permitted, and prohibited uses in the HE combining district are as specified by the base zoning.

17.41.050 ~~Density~~Development Standards

A. ~~For a project that creates one or more new dwelling units on a development site, the minimum density is 20 dwelling units per acre.~~

~~The City shall allow at least 16 dwelling units on each development site in the HE combining district, regardless of lot size.~~ Standards. Table 17.41-1 shows development standards in the HE combining district. For standards not listed in Table 17.41-1, the standards of the base zoning apply. Where a standard in Table 17.41-1 conflicts with the base zoning, Table 17.41-1 governs.

Table 17.41-1: HE Combining District Standards

	Rezone Sites [1]	All Other Sites [1]
Minimum Density [2]	20 du/ac	20 du/ac
Allowed Units per Site [3]	No less than 16	No less than 16
Maximum Density	40 du/ac	As specified by base zoning
Building Coverage	60%	As specified by base zoning
Height		
Stories	3	As specified by base zoning
Top Plate Height	Residential only: 35 ft. Vertical mixed use: 40 ft. [4]	As specified by base zoning
Roof Height	Additional 6 ft. above max. top plate height for roof with min. 5:12 pitch	As specified by base zoning

Notes:
[1] A "rezone site" means a Residential or Mixed Use Rezone site listed in General Plan 6th cycle Housing Element Table F-10. "All other sites" means a site in the HE combining district that is not a rezone site, except for APN 023-113-31 and 022-231-18.
[2] Applies only to projects that create one or more new dwelling units.
[3] The City shall allow at least 16 dwelling units on each development site regardless of lot size.
[4] Plate height greater than 35 ft. for vertical mixed-use development is permitted only if floor to ceiling height of ground floor commercial space is 12 feet or greater.

B. Deviations

1. If a development standard that applies~~y~~ to a site in the HE combining district physically precludes construction of the housing development at its proposed density, the applicant may request deviation from the limiting standard in accordance with policies established by the community development department.
2. The applicant must submit reasonable documentation that the existing standard physically precludes the construction of the housing development at its proposed density.

3. The deviation from the standard may be no greater than the minimum needed to achieve the proposed density.

4. For projects reviewed by the City through a by-right approval process, the C~~c~~ommunity D~~d~~evelopment D~~d~~irector may defer final decision on a requested deviation to the Planning Commission.

17.41.050 Lot Consolidation Incentives

A. Eligibility. The City shall grant lot consolidation incentives for development projects in the HE combining district that meet all of the following criteria:

1. The proposed project merges one or more parcels less than one-half acre in size with an adjacent parcel.

2. All proposed units are deed restricted affordable for new fewer than 55 years.

   a. Rental units shall be made affordable to households earning no more than 80% of the County's Area Median Income.

   b. Ownership units shall be made affordable to households earning no more than 120% of AMI;

3. The proposed project complies with the minimum density standard in Table 17.41-1 (HE Combining District Standards) or any applicable specific plan as applied to the newly created parcel.

4. For mixed-use projects, residential uses occupy at least 85 percent of the project's gross floor area.

B. Incentives. A proposed project that meets the eligibility criteria in Subsection A above is entitled to one or more of the following incentives:

1. Deviation from applicable physical development and subdivision standards as necessary to allow the proposed 100 percent affordable development project.

   a. Deviation from subdivision standards may not conflict with any applicable requirement in the California Subdivision Map Act.

   b. The applicant must submit reasonable documentation that the existing standard precludes development of the proposed affordable housing project. The deviation from the standard may be no greater than the minimum needed to allow for the proposed project.

2. City funding and financial resources as available, including reduced or waived City fees.

3. Priority application processing and placement on public meeting agendas.

4. City technical assistance to assist with site planning, grant funding, project financing, and subdivision approvals.

17.41.0~~5~~7~~0~~0 Replacement Units for Non-Vacant Sites

A development project that eliminates existing units affordable to lower income households must replace these units with new affordable units as required in paragraph (3) of subdivision (c) of Government Code Section 65915.

17.41.0~~6~~8~~0~~0 Sunset

This section shall remain in effect only until December 15, 2031, and as of that date is repealed."

Section 12. Parking spaces required for multi-family dwellings, in Subsection F, Schedule of Off-Street Parking Space Requirements, of Section 17.44.030, Off-street parking and loading requirements, of Chapter 17.44, General and Special Provisions, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

"Multi-family dwellings	Studio and 1 bedroom: 1 space 2 bedroom: 1.5 spaces 3+ bedroom: 2 spaces ~~Two parking spaces for each dwelling unit; plus one additional parking space for every five units, or fraction thereof.~~"

Section 13. Subsection G.2 of Section 17.44.060, Condominium conversions, of Chapter 17.4, General and Special Provisions, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

"2. Open space: Each unit within the project shall have an appurtenant private patio, deck, balcony, atrium or solarium with a minimum area of one hundred ~~fifty~~ square feet. Such space shall be designed for the sole enjoyment of the unit owner, shall have at least two weatherproofed electrical convenience outlets and shall have a shape and size that would allow for optimum usable space. Such space shall be at the same level as and immediately accessible from, a room within the unit. The planning commission may allow variations from the above dimensional standards where it can be shown that the required private open space meets the intent and purpose of this section."

Section 14. Sections O through S of Section 17.44.060, Condominium conversions, of Chapter 17.4, General and Special Provisions, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

"O. Tenant's Right To Purchase.

1. As provided in Government Code Section 66459, each tenant shall receive a nontransferable right of first refusal to purchase the unit.
2. The right of first refusal shall extend for 90 days from the date of issuance of the subdivision public report or the beginning of sales, whichever is later.

P. Tenant Relocation Assistance.

1. Relocation and Assistance Plan.

a. The subdivider shall submit a tenant relocation and assistance plan with the Use Permit and Tentative Map or Tentative Parcel Map application for the condominium conversion.

b. The plan shall include the information consistent with the State of California Relocation Assistance Act (Government Code Sections 7260 – 7277) and the Federal Uniform Relocation Assistance and Real Property Policies for Federal and Federally Assisted Programs Act (United States Code Title 42, Chapter 61) as well as those additional provisions in Subparagraphs 2 to 5 below.

2. Rent Freeze.

a. Upon notification of intent to convert, the then-current rents shall remain in effect for up to 12 months or until the conversion process has been completed or terminated.

b. If approval of the Tentative Map or Tentative Parcel Map is still pending at the end of 12 months, the freeze shall apply for another 12 months, allowing for an increase based on the rental component of the Consumer Price Index.

c. During such period as any rent freeze is in effect, 30-day eviction notices shall be issued only where a clear breach of the rental agreement exists.

3. Moving Allowance.

a. Persons who are tenants at the time of the initial notice to convert the project shall be offered a minimum moving allowance of two times the monthly rent in effect at the time the tenant elects to move.

b. Such allowance shall be payable only after City approval of the Use Permit and Tentative Map or Tentative Parcel Map. Payment to the tenant shall be within 14 days after the tenant vacates the premises.

4. Extended Leases. Tenants who have been displaced from previous conversions of apartments to condominiums in Scotts Valley during the last five years shall be offered a three-year lease from the date of the initial offering of units for sale to the public.

5. Other Tenant Situations. Any non-purchasing tenant who is disabled or has minor children in school or is age 62 or older, living in any unit prior to the time a completed Use Permit and Tentative Map or Tentative Parcel Map application has been accepted as complete by the City shall be given at least six months in which to find suitable replacement housing.

Q~~O~~. Pest Infestation and Dry Rot Report. The developer shall, prior to approval of the final map, submit to the planning department a copy of the structural pest infestation and dry rot report for all buildings within the proposed project. This report shall be made available to all prospective buyers by the developer.

Any and all actual structural damage shall be repaired or financial provision made for appropriate repair within a specific time period, prior to the approval of final map or properly bonded under the Subdivision Map Act.

R~~P~~. Effect On Housing Stock. In reviewing requests for conversion of existing apartment buildings to condominiums, the city shall consider the following:

1. Whether the amount and impact of the displacement of tenants would be detrimental to the health, safety or general welfare of the community;
2. The role that the apartment structure plays in the existing rental housing market;
3. The effect of the conversion on the need and demand for low-cost housing (both rental and ownership housing).

In no case shall apartment conversions be allowed if the rental vacancy rate is below four percent, as determined by the planning department.

S~~Q~~. Advertising. The developer shall make no advertising use of any city approval of use, subdivision or occupancy for the project.

T~~R~~. Required Findings. Pursuant to Government Code Section 66427.1 as it presently exists or may hereafter be amended, approval of the final map of a conversion of residential real property to a condominium project shall be withheld unless the city council makes all findings required by that section and further finds that:

1. The proposed conversion will not have an adverse effect on the diversity of housing types available in the city.
2. The proposed conversion will not displace a significant percentage of tenants and deplete low-income and moderate- income rental units from the city's housing stock at a time when no equivalent condominium housing is readily available in the city.
3. The proposed conversion would not be detrimental to the health, safety or general welfare of the community and is consistent with the city's General Plan, particularly the housing element.
4. The overall design and construction of the development meets the standards outlined herein.

U~~S~~. Appeals. Any person who is dissatisfied with any decision made by the planning commission may appeal the same in accordance with the procedures established in Section 17.50.060 of this title."

Section 15. New Section 17.44.190, Racially Concentrated Areas of Affluence, is hereby added to Chapter 17.44, General and Special Provisions, of Title 17, Zoning, of the Scotts Valley Municipal Code, to read as follows:

"17.44.190 Racially Concentrated Areas of Affluence.

A. Purpose. This section implements General Plan 6th cycle Housing Element programs to affirmatively further fair housing by taking actions to overcome patterns of segregation and increase access to opportunities for all residents.

B. Applicability. The provisions in this section apply to racially concentrated areas of affluence (RCAA) as identified in 6th cycle Housing Element Figure E-4a.

C. Missing Middle Conversions. Within RCAA, an existing single-family dwelling may be converted into a duplex or a triplex subject to the following:

1. The lot must conform to zoning district minimum lot area standard.

2. The lot may contain only one existing dwelling unit.

3. The conversion may only use existing living area in the primary dwelling. Conversion of accessory structures is not permitted.

4. A minimum lot area of 5,000 square feet is required per unit.

5 A triplex is permitted only on lots with an average slope of less than 25 percent.

6. Conversions are not permitted on lot with an existing accessory dwelling unit.

7. The conversion may not be combined with an SB 9 residential development project or urban lot split (Chapters 17.55 and 16.78).

8. Off-street parking spaces must be provided as follows:

a. One space for a studio or one-bedroom unit.

b. Two spaces for a unit with two bedrooms or more.

9. Parking spaces may not be in the required front yard. The conversion may not add or enlarge an existing driveway curb cut.

10. Dwelling units must be connected to the municipal water and sewer system.

D. SB 9 Triplexes. An existing single-family home in RCAA zoned R-1 may be converted into an SB9 triplex if one or more new units on the site are deed restricted affordable. See Section 17.55.080 (SB 9 triplexes).

E. Condominiums and Townhomes. Within RCAA, townhouses and condominiums in the R-1 zoning district are a permitted use. See Section 17.14.020 (Permitted uses)."

Section 16. Section 17.55.030, Permitting process, of Chapter 17.55, SB 9 Residential Development, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

“17.55.030 Permitting process.

A. Building Permit. An SB 9 residential development requires city approval of a building permit.

B. Ministerial Approval. The city shall ministerially approve a building permit for an SB 9 residential development if the application complies with all requirements of this chapter. No public hearing or discretionary review is required.

C. Urban Lot Splits. An SB 9 residential development that includes an urban lot split requires city approval of a parcel map pursuant to Municipal Code Chapter 16.78 (Urban Lot Splits).

D. Eligibility. The city shall accept an application for an SB 9 residential development only if the project complies with the following requirements.

1. Zoning District. The development is located in the R-1 Single-Family Residential, R-R Residential-Rural, or R-MT Residential-Mountain zoning district.

2. Compliance with Chapter. The development complies with all applicable requirements of this chapter.

3. Environmental Resources and Hazards. The development satisfies the requirements of Government Code subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4, which prohibits development on sites subject to specified environmental resources and hazards.

4. Affordable and Rental Housing. The development will not require demolition or alteration of any of the types of housing identified in Government Code paragraph (3) of subdivision (a) of Section 65852.21.

5. Historic Resources. The development is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Public Resources Code Section 5020.1.

E. Time Period for City Action.

1. The City shall approve or deny the building permit application within 60 days from the date the City receives a completed application. If the applicant requests a delay in writing, the 60-day time period shall be tolled for the period of the delay.

2. If the City does not approve or deny the completed application within 60 days, the application shall be deemed approved.

~~E~~F. Basis for Denial.

1. The city shall deny an application for an SB 9 residential development if either of the following is found:

a. The development fails to comply with any requirement in this chapter. Any such requirement that is the basis for denial shall be specified by the city in writing.

b. The city's building official makes a written finding, based upon a preponderance of the evidence, that the proposed development would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Government Code Section 65589.5, upon public health and safety ~~or the physical environment and~~ for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

2. The city shall not deny an SB 9 residential development solely because it conflicts with the city's density limitations for the applicable zoning district.

G. Comments for Denied Application.

1. If the City denies an application for an SB 9 residential development, the City shall provide written comments to the applicant that list the items that are defective or deficient and describe how the application can be remedied by the applicant.

2. Written comments required by Paragraph 1 above shall be provided to the applicant within the time period described in Subsection B (Time Period for City Action) of this section."

Section 17. Section 17.55.050, Development standards, of Chapter 17.55, SB 9 Residential Development, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

"17.55.050 Development standards.

A. Building Height.

1. For an SB 9 residential development that complies with the minimum yard requirements of the applicable zoning district and combining district, the maximum building height is twenty-five feet.

2. For an SB 9 residential development that does not comply with the minimum yard requirements of the applicable zoning district and combining district, the maximum building height is sixteen feet.

B. Unit Size.

1. For an SB 9 residential development that complies with the minimum yard requirements of the applicable zoning district and combining district, the maximum unit size is one thousand two hundred fifty square feet per unit.

2. For an SB 9 residential development that does not comply with the minimum yard requirements of the applicable zoning district and combining district, the maximum unit size is eight hundred square feet per unit.

C. Yards.

1. Minimum yards for an SB 9 residential development are as follows:

a. Front: As required in the applicable zoning district

b. Side: Four feet, except that no yard is required for a new side lot line shared between two parcels created through an urban lot split.

c. Rear: Four feet.

2. As provided in A and B above, an SB 9 residential development that complies with the minimum yard requirement for a single-family dwelling in the applicable zoning district is eligible for greater building height and unit size than is allowed for SB9 residential development that does not comply with the zoning district minimum yard requirement.

3. Notwithstanding Paragraph 1 above, no setback is required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

D. Separation Between Dwelling Units.

1. No minimum separation is required between dwelling units on a parcel if the structures meet building code safety standards.

2. Dwelling units may be connected if the structures meet building code safety standards and are sufficient to allow a separate conveyance.

3. For purposes of this chapter, "sufficient for separate conveyance" means that each attached or adjacent dwelling unit is constructed in a manner adequate to allow for the separate sale of each unit in a common interest development as defined in Civil Code Section 1351 (including a residential condominium, planned development, stock cooperative, or community apartment project), or into any other ownership type in which the dwelling units may be sold individually.

E. Parking.

1. Required Parking. A minimum of one off-street parking space is required per dwelling unit except as provided in Paragraph 2 below.

2. Exceptions to Required Parking. No off-street parking is required in the following cases:

a. The parcel is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code.

b. There is a car share vehicle located within one block of the parcel. A car share vehicle means a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization that meet all the following criteria:

(1) Provides hourly or daily service;

(2) Vehicle reservations are processed and paid for using an on-line system;

(3) Vehicles can be accessed where they are parked without having to go to a different physical location to execute a contract and/or pick up the keys; and

(4) Fleet has more than five cars in Scotts Valley and more than twenty cars in Santa Cruz County.

3. Location on Lot. As required by Section 17.44.030(J), driveways and parking spaces shall not proportionately occupy more than three hundred square feet for each ten feet of required front yard setback.

4. Garages. Required parking spaces may be uncovered for an SB 9 project with two or fewer new units, including accessory dwelling units. Required parking shall be in a garage for the third or fourth unit in an SB 9 project.

~~**5.** Landscape Buffer.~~

~~a. Where a parking area with three or more spaces is located across a street or alley from or immediately adjacent to a residential district, a landscape strip not less than five feet in depth shall be planted and permanently maintained along the abutting property line of the parking area.~~

~~b. The landscape strip shall contain a row of landscaping with a minimum planting height of thirty-six inches.~~

~~c. Landscaping shall comply with intersection and driveway vision clearance requirements in Section 17.46.110.E.~~

~~F. Driveways.~~

~~1. Vacant Lots.~~

~~a. For an SB 9 development on a vacant lot, no more than one driveway curb cut is allowed with a maximum width of twenty feet. Units on two lots created through an urban lot split must share one driveway with access easements recorded as necessary.~~

~~b. The community development director may grant an exception to this requirement when needed for emergency vehicle access.~~

~~2. Non-Vacant Lots.~~

~~a. For an SB 9 project on a lot with an existing home, two driveway curb cuts are allowed only if the existing site layout or other physical constraints physically precludes shared use of a single driveway curb cut.~~

~~b. The maximum width of a second curb cut where allowed is twelve feet.~~"

Section 18. Section 17.55.060, Objective design standards, of Chapter 17.55, SB 9 Residential Development, of Title 17, Zoning, of the Scotts Valley Municipal Code is hereby amended to read as follows:

“17.55.060 Objective design standards.

~~A. Multi-Unit Residential Design Standards.~~

~~1.~~ An SB 9 residential development that creates two or more new primary dwelling units shall comply with the Multi-Unit Residential Design Standards, which are adopted by C~~c~~ity C~~c~~ouncil resolution and may be amended from time to time.

~~2. If one or more new primary dwelling units are added to a lot with an existing SB 9 residential development, the new dwelling unit(s) shall comply with the Multi-Unit Residential Design Standards.~~

~~B. "Faces" Defined. As used in this section, the term "faces" means:~~

~~1. The building feature is parallel or substantially parallel to the street or property line; and~~

~~2. There is no other building located between the building feature and the street or property line.~~

~~C. Single Unit Projects. If an SB 9 residential development creates one new primary dwelling on a lot with an existing dwelling that was not previously established through an SB 9 residential development, the following design standards apply.~~

~~1. Garage Frontage. Where a dwelling with an internal or attached garage is located on the front half of the lot and the garage door faces a street, the garage frontage including the door width shall not exceed fifty percent of the width of the front facade of the building.~~

~~2. Massing. A building wall that faces a street or an adjacent residential use shall not run in a continuous plane of more than twenty-five feet without one or more of the following treatments:~~

~~a. A change in wall plane with a minimum of four feet in depth for the facade.~~

~~b. A front porch or other covered entry feature with a minimum depth of three feet and width of six feet providing access to the dwelling's primary entrance.~~

~~c. An upper story stepback of at least six feet in depth for at least eighty percent of the street facing building wall.~~

~~d. A protruding window (such as a bay window) of at least two feet in depth.~~

~~3. Articulation. A building wall that faces a street or an adjacent residential use shall not run in a continuous plane of more than fifteen feet without one of the following treatments included on the facade at every building story:~~

~~a. Window.~~

~~b. Entry door.~~

~~c. Two or more visibly contrasting primary materials and/or colors.~~

~~d. Wall mounted trellises for climbing plants.~~

~~4. Entries. Primary dwelling entrances must include one of the following:~~

a. A recess in the building wall with a minimum width of four feet and depth of three feet.

b. A covered porch, providing access to the entry, with a minimum dimension of five feet by five feet.

5. Roof Forms. Rooflines twenty-five feet or longer that face a street or an adjacent residential use shall be articulated with recessed or projecting gabled roof elements, roof dormers, changes in roof heights, changes in direction or pitch of roof slopes, and other similar methods.

6. Windows. Windows that face a street or an adjacent residential use shall comply with one of the following:

a. All windows shall feature built up profile trim/framing. Trim/framing must project at least two inches from the building wall with material that visually contrasts from the building wall.

b. Window glass shall be inset a minimum of two inches from the exterior wall or frame surface to add relief to the wall surface.

7. Exterior Materials. The primary wall finish material shall be wood, wood shingle, stone, brick, stucco, fiber cement or other cementitious material, or stone. T1-11 siding and all grooved or patterned wood panel or composite wood panel siding are prohibited.

8. Private Open Space. Each dwelling unit shall have at least one hundred square feet of private open space. Required private open space shall comply with the following standards:

a. The open space shall be directly accessible from the dwelling unit.

b. Balconies shall have a minimum dimension of six feet in depth and width and a minimum floor area of fifty square feet.

c. Patios shall have a minimum dimension of eight feet in depth and width and a minimum floor area of sixty-four square feet.

d. Open space may be covered but not fully enclosed. If covered, the minimum floor to ceiling height is eight and one-half feet.

e. Ground level private open space shall be screened or buffered from adjacent private or common open space and dwellings by landscaping, fencing, walls, trellises, or other screening elements.

B. Accessory Dwelling Units. A new accessory dwelling unit (ADU) included in an SB 9 residential development shall comply with the same design requirements as apply to an ADU that is not established as part of an SB 9 project.

C. Neighbor Privacy.

1. If a building wall faces an adjacent residential use and does not comply with the minimum interior side or rear yard requirements of the applicable zoning district or combining district, windows on the wall must be:

a. Five-foot minimum sill height above the finished floor;

~~b. Clerestory; or~~

~~c. Opaque/frosted glass.~~

~~2. Second-story exterior decks and balconies may not face an interior side or rear yard that abuts an adjacent residential use.~~

~~3. No portion of a rooftop deck may be closer than twenty-five feet from an interior side or rear yard that abuts an adjacent residential use.~~"

Section 19. New Section 17.55.080, SB 9 triplexes, is hereby added to Chapter 17.55, SB 9 Residential Development, of Title 17, Zoning, of the Scotts Valley Municipal Code, to read as follows:

"17.55.080 SB 9 triplexes.

A. When Allowed. Notwithstanding any other provision in this chapter, an existing single-family dwelling may be converted into an SB 9 development with three units (SB 9 triplex) if:

1. The existing single-family dwelling is on a parcel in the R-1 zoning district and in racially concentrated area of affluence (see Section 17.44.190); and

2. One or more of the SB9 triplex units are deed restricted affordable to households earning no more than 80% of the County's Area Median Income.

B. Standards. An SB 9 triplex shall comply with the following standards:

1. The floor area of the third unit shall not exceed 800 square feet.

2. The third unit must comply with minimum yard requirements for single-family dwellings in the R-1 zoning district.

3. The third unit is allowed only as a modification to an existing single-family dwelling. The third unit may not be created as a structure detached from the existing single-family dwelling.

4. The third unit may be created by adding new floor area to the existing single-family dwelling.

5. An SB 9 triplex is not allowed on a lot created through an SB 9 urban lot split."

Section 20. GENERAL PLAN CONSISTENCY. The Municipal Code amendments are consistent with the General Plan. The Municipal Code amendments are adopted for the specific purpose of implementing programs in the Housing Element and bringing the City's Municipal Code into conformance with the General Plan. The City has committed in the Housing Element to complete these Municipal Code amendments by the end of 2025.

Section 21. CEQA COMPLIANCE. An Addendum to the General Plan Update

Environmental Impact Report (SCH 2020070330) (EIR) was prepared for the Municipal Code amendments in accordance with Section 15162 of the California Environmental Quality Act (CEQA) Guidelines. The EIR Addendum demonstrates that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the Municipal Code amendments would not result in any significant impacts not considered under the original EIR.

Section 22. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 23. To the extent the provisions of the Scotts Valley Municipal Code as amended by this Ordinance are substantially the same as the provisions of that Code as they read immediately prior to the adoption of this Ordinance, then those provisions shall be construed as continuations of the earlier provisions and not as new enactments.

Section 24. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

Section 25. PUBLICATION. The City Clerk shall certify as to the adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of adoption and shall post a certified copy of this Ordinance, including the vote for and against same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

This Ordinance was introduced on the 4th day of June, 2025, and passed and adopted on the 18th day of June, 2025, at a duly held meeting of the City Council of the City of Scotts Valley by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Derek Timm, Mayor

ATTEST:

_____
Cathie Simonovich, City Clerk

APPROVED AS TO FORM:

_____
Kirsten Powell, City Attorney

RESOLUTION NO. 16.141.1

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AMENDING THE SB 9 PUBLIC HEALTH AND SAFETY AND ENVIRONMENTAL RESOURCE PROTECTION STANDARDS

WHEREAS, Senate Bill (SB) 9 (Chapter 162, Statutes of 2021), amended the Government Code to require local agencies to allow up to four primary dwellings on one lot in single-family zoning districts if the project meets specified requirements;

WHEREAS, SB 9 authorized local agencies to impose on SB 9 projects objective zoning standards, objective subdivision standards, and objective design review standards that do not conflict with the requirement of SB 9;

WHEREAS, on April 11, 2024 the City Council adopted Resolution No. 2046 establishing SB 9 Public Health and Safety and Environmental Resource Protection Standards ("SB 9 Standards") consistent with the requirements of SB 9 in effect at that time;

WHEREAS, SB 450 (Chapter 286, Statutes of 2024), amended the Government Code to prohibit local jurisdictions from imposing standards on SB 9 development that do not apply uniformly to development in the underlying zone unless these standards are more permissive than the generally applicable standards;

WHEREAS, the Planning Commission adopted Resolution No. 1804.1 recommending adoption of amendments to the SB 9 Public Health and Safety and Environmental Resource Protection Standards ("SB 9 Standards") to remove standards that do not apply uniformly to development in the underlying zone ; and

WHEREAS, the City Council held a duly noticed public hearing on June 4, 2025 on the amended SB 9 Standards at which the public were granted an opportunity to provide oral and written testimony; and

WHEREAS, at the public hearing on June 4, 2025, before introducing this Resolution, the City Council adopted Resolution No. 1119.37 to approve the Addendum to the General Plan Update Environmental Impact Report (SCH 2020070330) for the proposed SB 9 Standards amendments, finding, among other things, that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the proposed General Plan Amendments would not result in any significant impacts not considered under the original EIR.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Scotts Valley as follows:

1. The above recitals are true and correct and incorporated herein by reference.

2. The City Council hereby adopts amendments to the SB 9 Public Health and Safety and Environmental Resource Protection Standards, attached to this resolution as Exhibit A.

3. Such standards shall be effective immediately and may be amended from time to time, or repealed, by resolution of the City Council.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of June, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

EXHIBIT A:

PROPOSED AMNDMENTS TO SB 9 PUBLIC HEALTH AND SAFETY AND ENVIRONMENTAL RESOURCE PROTECTION STANDARDS

The following standards apply to SB 9 residential development and urban lot split as defined in Municipal Code Sections 17.55.020 and 16.78.020. The term "SB 9 project" as used below refers to a proposed project with an SB 9 residential development, an urban lot split, or both. Other standards and City requirements may also apply to an SB 9 project based on site-specific conditions and proposed project features.

A. Government Code Exclusions

1. **Excluded Sites.** An SB 9 project shall not be located on a site with any of the following environmental resources and hazards as specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) Government Code Section 65913.4 unless required mitigation, if allowed, is incorporated into the proposed project:
    a. Prime farmland or farmland of statewide importance
    b. Wetlands
    c. Very high fire hazard severity zone
    d. Hazardous waste site
    e. Earthquake fault zone
    f. 100-year flood zone
    g. Regulatory floodway
    h. Adopted natural community conservation plan
    i. Habitat for protected species
    j. Conservation easement

B. Fire District Requirements

An SB 9 project must comply with 1) the California Fire Code with modifications and amendments as adopted by the Scotts Valley Fire Protection District ("Fire District"); and 2) the Santa Cruz County Fire Prevention Officers Association Fire Prevention Standards as adopted by the Fire District. Before the City approves a building permit or parcel map for an SB 9 project, the applicant must submit documentation from the Fire District that the project complies with all applicable requirements. Fire District requirements that may affect the feasibility of an SB 9 project include the following:

1. **Fire Hydrants**: The number, spacing, and distance from the property. Pursuant to Municipal Code Section 17.55.040.C (Utility Connections), an SB 9 project must be connected to and served by a municipal water service provider (i.e., the Scotts Valley Water District or San Lorenzo Valley Water District). Private wells and tanks used to provide a water supply for fire protection are not allowed.

2. **Fire Flow**: The flow rate and duration of a water supply that serves the project.
3. **Fire Sprinklers**: An automatic fire sprinkler system for each dwelling unit.
4. **Access Road Dimensions**: Minimum width, vertical clearance, and turning radius of roads providing fire apparatus access to the property.
5. **Dead-End Access Roads**: Maximum length of new dead-end roads/driveways serving the property.

C. City Fire Safety Standards

An SB 9 project must comply with the following City fire safety standards. These standards apply to an SB 9 project in addition to Fire District requirements. If Fire District requirements differ from City standards, the City will approve an SB 9 project only if it conforms with City requirements.

1. **Emergency Vehicle Access – Roadway Width.** An ~~SB 9 project~~ urban lot split shall be served by roadways providing emergency vehicle access with a minimum 20-foot width. If an emergency vehicle must utilize a road less than 20 feet wide at any point to access the property, an SB 9 project is not allowed unless the applicant widens the roadway to comply with this standard.
2. **Dead-end Street Length – Urban Lot Splits.** An ~~SB9~~ urban lot split project is prohibited on a dead-end street where the distance from the start of the street to the lot exceeds the length specified in Municipal Code Section 16.44.020.A. For example, an ~~SB 9 project~~urban lot split is not allowed on a lot on a dead-end street in the Low Residential General Plan Land Use Category if the lot is more than 700 feet from the start of that dead-end street. If the lot on the dead-end street is less than 700 feet from the start of the street, a proposed lot split would be allowed if it complies with all other applicable standards.
3. **Emergency Vehicle Access – Free of Obstructions.** Required emergency vehicle access shall be maintained free of structures (e.g., locked gates) obstructing emergency vehicle access to development.

D. Geologic Hazard Standards

1. **Hillside Residential Combining District.** The following requirements apply to an SB 9 project within the HR Hillside Residential Combining District (Municipal Code Chapter 17.40).
    a. The applicant shall submit a site development plan and preliminary geologic and soils investigation report as required by Section 17.40.040.
    b. On a building site created through an urban lot split, the following apply:
        (1) The average slope of the lot shall not exceed 40 percent and the average slope of the proposed building envelope shall not exceed 25 percent.
        (2) A private access roadway to or on the site shall not exceed 150 feet in length or a grade of 15 percent along the length of the pavement.
    c. On an existing lot of record, the following apply:

(1) A structure or driveway shall not be located on a building pad with an average slope of 40 percent or more.

(2) A driveway to or on a building site shall not exceed a grade of 15 percent along the length of the pavement.

d. On all sites, the following apply:

(1) Portions of a site exceeding 30 percent slope shall not be graded.

(2) Visible cut or fill slopes shall not exceed three horizontal to one vertical (3:1)

(3) For units greater than 16 feet in height and/or with a floor area greater than 800 square feet, 1 foot shall be added to each side yard for each 1 foot of height above which the top plate line exceeds 15 feet in height.

(4) The clearance between ground floor levels and finish grade shall not exceed 4 feet. Five feet is permitted if a landscape and irrigation plan which will screen the subfloor area is submitted with the application for a building permit and landscaping is installed prior to final inspection of the structure.

2. **Landslide Hazard Areas.** The following requirements apply to an SB 9 project in an area with known landslide deposits as shown in General Plan Figure SN-5 Landslide Deposits or on a site with known or suspected landslides as mapped by the United State Geological Survey.

a. The applicant shall retain the services of a qualified geotechnical engineer or engineering geologist to prepare a design-level geotechnical investigation. The investigation shall identify project-specific foundation and structural design features needed to mitigate risks associated with landslide hazards.

b. The project shall be designed and constructed in accordance with the site preparation, foundation design, structural design, drainage, ground improvement performance testing, pavement design, and other recommendations in the design-level geotechnical investigation unless modified during construction, based on field conditions, by a qualified registered geotechnical or civil engineer.

c. Final grading plans shall be reviewed by a qualified registered geotechnical or civil engineer, and any resulting additional recommendations shall be incorporated into the project.

d. All site preparation work shall be performed under the observation of the Geotechnical Engineering firm of record. All design and construction shall conform to the requirements of the latest California Building Code.

e. All structural design and construction shall be subject to final approval by the City of Scotts Valley Building Official.

E. Circulation Safety Standards

1. **Highway 17 Access Hazards.** An urban lot split ~~SB 9 project~~ is not permitted where vehicle access to the site is provided solely from Highway 17 at the following locations as identified in the Highway 17 Access Management Plan (California Department of Transportation, 2016):

   a. Driveway at PM 6.712 (Map ID #24)

   b. Crescent Drive (Map ID #25)

   c. Driveway at PM 6.485 (Map ID #26)

Public Hearing Item 1
5/15/2025 PC Mtg.

City of Scotts Valley

PLANNING COMMISSION
STAFF REPORT

Date:	May 15, 2025
Applications:	AZO25-001, GPA25-001
Location:	City-wide
General Plan / Zoning:	All designations/zones
Environmental Status:	Addendum to General Plan Update EIR
Request:	Consideration of amendments to Scotts Valley Municipal Code, General Plan, and SB 9 Standards to implement Housing Element programs
Staff Planner:	Ben Noble, Consultant

STAFF RECOMMENDATION

It is recommended the Planning Commission conduct a public hearing, receive public comment, and adopt the resolution recommending the City Council 1) amend the Scotts Valley Municipal Code Title 17 (Zoning), Title 16 (Subdivisions), General Plan Land Use Element, and SB 9 Standards to implement General Plan Housing Element programs; and 2) adopt an Addendum to the General Plan EIR for the proposed amendments in compliance with the California Environmental Quality Act (CEQA).

BACKGROUND

On December 20, 2023, the City Council adopted the 2023-2031 Housing Element of the General Plan. The Housing Element is the foundation for City housing policy as required by state law. The Housing Element includes programs with specific actions that the City must complete within a specified timeframe.

In 2024 the City Council adopted an initial set of Zoning Code Amendments to implement the Housing Element. Topics addressed in the 2024 amendments included accessory dwelling units, accessory structures, by-right development and design review, among other topics.

On March 13, 2025 the Planning Commission held a study session to provide input on Zoning Code amendments which must be completed in 2025. At this meeting the Planning Commission provided feedback on three topics: 1) rezonings to accommodate the City's regional housing needs allocation (RHNA); 2) development standards that constrain housing production; and 3) affirmatively furthering fair housing. The staff report from the March 13, 2025 meeting is provided as Attachment 3.

As noted at the March 13, 2025 meeting, the City received a letter from Santa Cruz YIMBY dated March 11, 2025 commenting on the materials discussed at the meeting. As discussed below, City staff has considered these comments when preparing the proposed amendments.

On March 28, 2025 the City hosted a meeting with local developers to receive feedback on Housing Element Program H-3.2, which calls for the city to implement land use strategies for "missing middle" housing in Scotts Valley. City staff considered this feedback when preparing the proposed amendments to implement Program H-3.2.

PROPOSED AMENDMENTS

Attachment 1 contains a draft Planning Commission resolution recommending the City Council adopt the proposed amendments to the Zoning Code, Subdivision Ordinance, General Plan Land Use Element, and SB 9 Standards. Exhibits in Attachment 1 contain the proposed amendments, which address the following topics:

- Rezoning for RHNA
- Residential Development Constraints
- Large Lot Development
- Lot Consolidation
- Affirmatively Furthering Fair Housing
- Condominium Conversions
- SB 9 Ordinance Amendments

In Attachment 1, proposed General Plan Amendments are in Exhibit A, proposed Zoning Code and Subdivision Ordinance amendments are in Exhibit B, and proposed amendments to SB 9 standards are in Exhibit C.

Rezoning for RHNA

As discussed in the March 13, 2025 staff report (Attachment 3), Scotts Valley must provide adequate sites to accommodate the City's regional housing needs allocation (RHNA) for the 2023-2031 Housing Element planning period. To provide these sites, Housing Element Program H-1.1 calls for the City to rezone 35 properties to allow a density of up to 40 dwelling units per acre. Development standards on these sites (e.g., building height, lot coverage, setbacks) must allow for this density. As shown in Figures 1 and 2 in the March 13, 2025 staff report, these sites are primarily located on Scotts Valley Drive and Mount Hermon Road.

To implement Housing Element Program H-1.1, the proposed Zoning Code Amendments include the following changes to Chapter 17.41 (Housing Element Opportunity Site Combining District):

- **Permitted Uses**: Allows multifamily dwellings as a permitted use in the HE combining district. On mixed-use rezone sites, residential uses must occupy less than 70 percent of the total gross square feet on the property. On all other sites, residential-only development (no commercial uses on site) is allowed.
- **Development Standards**: Up to 40 dwelling units per acre and 60 percent building coverage is allowed on rezone sites. Building heights greater than 35 feet permitted for pitched roofs and vertical mixed-use buildings.
- **Deviations**: Deviation from development standards is allowed if necessary to accommodate permitted density on the site.

The proposed amendments exclude from the HE combining districts two rezoning sites identified in the Housing Element - 257 Glenwood Drive (San Agustin church) and 90 Lockhart Gulch Road (self-storage facility). The city will consider the rezoning of these properties as part of a separate process later this year.

These proposed Zoning Code Amendments also require an amendment to the General Plan Land Use Element. As shown in Exhibit A of Attachment 1, the proposed Land Use Element Amendment adds notes to Table LU-2 stating that on candidate sites identified in the Sixth Cycle Housing Element, the residential density, commercial building coverage, and potential land uses are as permitted in the Housing Element. The notes also state that 1) a maximum 70 percent residential floor area is permitted on mixed use rezone sites; and 2) there is no limit on the percent of residential floor area on residential rezone sites.

At the March 13, 2025 Planning Commission meeting Santa Cruz YIMBY commented that requiring at least 30 percent commercial uses on mixed use rezone sites is too high and should be reduced or eliminated. Staff recommends maintaining this standard as it is consistent with the certified Housing Element and City goals to maintain commercial uses on Scotts Valley Drive and Mount Hermon Road. The proposed new standard reduces the existing commercial use requirement on these sites from 50 to 30 percent. Analysis of development standards in the Housing Element concluded that the 30 percent commercial requirement on mixed use rezone sites is not a constraint to housing production on these sites. In addition, proposed lot consolidation incentives (discussed below) would allow residential-only development on the mixed-use rezone sites for qualifying 100 percent affordable development projects.

Citywide Residential Development Constraints

Housing Element Program H-1.6 calls for the City to modify residential development standards if needed to reduce constraints to housing production. As discussed in the March 13, 2025 staff report, the proposed Zoning Code Amendments include the following amendments to implement Program H-1.6:

- **Building Coverage**: The maximum building coverage in the C-S and C-SC zoning districts is increased to 50 percent outside of the HE combining district and 60 percent in the HE combining district.

- **Parking**: Required off-street parking spaces for multifamily developments is reduced to 1 space for studios and one-bedroom units, 1.5 spaces for two-bedroom units, and 2 spaces for units with three or more bedrooms.

The proposed building coverage changes are found in Sections 17.20.040 and 17.22.040 and the parking changes are found in Section 17.44.030.F in Exhibit B of Attachment 1.

The proposed Zoning Code Amendments do not include changes to required off-street parking spaces for single-family dwellings (3 per unit). The certified Housing Element found that this standard does not constrain housing production.

Large Lot Development

Housing Element Program H-2.6 states that the City shall adopt a program to facilitate the development of lots larger than ten acres, particularly for the development of affordable housing units. Two sites in the Housing Element sites inventory are larger than 10 acres: 90 Lockhart Gulch Rd (12 acres with existing mini-warehouse facility) and 216 Mount Hermon Road (13.6 acres containing Kings Village shopping center).

The proposed Zoning Code Amendments contain a new section (17.40.060) with incentives for 100 percent affordable residential development on sites greater than 10 acres in the HE combining district. These incentives include deviation from development and subdivision standards, City financial support as available, priority application processing, and City technical assistance.

Lot Consolidation

Program H-2.8 calls for the City to facilitate development on small sites by establishing incentives to consolidate parcels less than one-half acre in size. The Housing Element sites inventory contains 17 parcels less than one-half acres, with eleven parcels on Scotts Valley Drive and three parcels on Mount Hermon Road.

To implement Program H-2.8, the proposed Zoning Code Amendments add new lot consolidation incentives for qualifying residential projects in the HE combining district. To qualify for incentives, a proposed project must meet all of the following criteria:

- The project merges one or more parcels less than one-half acre in size with an adjacent parcel.
- All proposed units are deed restricted affordable (100% affordable).
- The proposed project meets the minimum density standard of 20 units per acre.
- For mixed-use projects, residential uses occupy at least 85 percent of the project's gross floor area.

A proposed project that meets these criteria would be eligible for the following incentives:

- A three percent increase in maximum allowed density.
- A 10 percent reduction in required on-site residential parking.
- For projects on a Mixed Use Rezone site, waived maximum residential floor area requirement.
- Priority application processing and placement on public meeting agendas.

Affirmatively Furthering Fair Housing

As discussed by the Planning Commission on March 13, 2025, the following proposed Zoning Code Amendments implement Housing Element Program H-3.2 to affirmatively further fair housing:

- **Missing middle conversions**: An existing single-family dwelling in racially concentrated areas of affluence (RCAA) may be converted into a duplex or triplex.
- **SB 9 triplexes**: An existing single-family home in RCAA zoned R-1 may be converted into an SB 9 triplex, with additional floor area permitted, if one or more new units on the site are deed restricted affordable.
- **Permits for condominiums and townhomes**: Townhouses and condominiums in RCAA zoned R-1 zone are a permitted use (no conditional use permit required).

The March 13, 2025 staff report provides background information on SB 9, which is the state law that requires cities to allow two primary dwelling units on a single parcel in single-family residential zones.

The proposed amendments contain a new section (17.44.190) with provisions that apply in RCAA. New SB 9 triplex provisions are in Section 17.55.080. These proposed amendments are described in greater detail in the March 13, 2025 Planning Commission staff report (Attachment 3).

<u>Missing Middle Conversion Standards</u>

As noted above, City staff discussed the proposed missing middle conversion standards with a group of local developers on March 28, 2025. Developers noted that requiring two spaces per dwelling for some types of conversions, as originally proposed, may be excessive and discourage conversion projects. Santa Cruz YIMBY also recommended reducing required parking for missing middle conversions. In response to this feedback, staff revised the missing middle parking standards to require one space for studio and one-bedroom units, and two-spaces for units with two or more bedrooms.

The proposed missing middle conversion standards require a minimum 5,000 square feet of lot area per unit. Under this standard, the minimum lot area is 10,000 square feet for a duplex conversion and 15,000 square feet for a triplex conversion. The purpose of this standard is to allow for conversion projects on lots of sufficient size to accommodate additional units and on-site parking while maintaining the existing character of single-family neighborhoods.

Local developers and Santa Cruz YIMBY both suggested that the City reconsider this standard to allow for missing middle conversions on smaller lots. Local developers suggested allowing triplexes on lots less than 15,000 square feet. Santa Cruz YIMBY suggested removing the minimum lot size standards entirely. The Planning Commission may wish to consider these suggestions when reviewing the proposed Zoning Code Amendments.

The Planning Commission should note that the missing middle conversions (and SB 9 triplex) provisions are one of many pathways available to a homeowner to add units to a single-family lot. State ADU law allows up to three ADUs on a lot with a single-family home. SB 9 allows for up to four units on a lot (two primary dwellings, a detached ADU, and a junior ADU). The proposed missing middle conversion and SB 9 triplex provisions go beyond state

requirements by allowing a third primary dwelling on a lot. In addition, missing middle conversions are not subject to a maximum unit size standard which apply to ADU and SB 9 development.

Condominium Conversions

A condominium conversion is the process to convert existing multifamily rental housing into residential condominium units. Scotts Valley has an existing condominium conversion ordinance (Section 17.44.060) with permit requirements and standards for condominium conversions.

Housing Element Program H-3.12 calls for amendments to the existing condominium conversion ordinance to preserve rental housing stock in Scotts Valley. As required by Program H-3.12, the proposed Zoning Code amendments include the following changes to the existing condominium conversion ordinance:

- **Annual Limit**: Limits conversions to five percent of the total housing stock per year.
- **Rent Freeze**: Freezes rents for one year after notification of intent to convert, with limited increases the next year if the subdivision process is not yet completed.
- **Right to Purchase**: Provides tenants with right of first refusal to purchase the unit.
- **Relocation Assistance**: Requires subdivider to prepare a tenant relocation and assistance plan consistent with state and federal law and to provide tenants with a moving allowance of two times the monthly rent.

SB 9 Ordinance Amendments

In 2024, Scotts Valley adopted amendments to Municipal Code Titles 16 (Subdivision) and 17 (Zoning) to implement SB 9. Chapter 16.78 contains SB 9 urban lot split provisions and Chapter 17.55 contain provisions for SB 9 unit development.

In 2025, SB 450 went into effect, which amended state law for SB 9 development and urban lot splits. SB 450 prohibits local jurisdictions from imposing standards on SB 9 development that do not apply uniformly to development in the underlying zone unless these standards are more permissive than the generally applicable standards. SB 450 also limits urban lot split standards to the design or improvement of parcels and establishes new SB 9 application review and approval requirements.

To comply with SB 450, the proposed amendments include the following changes to Subdivision Ordinance Chapter 16.78 and Zoning Code Chapter 17.55:

- **Application Processing:** Adds requirement for the City to act on SB 9 development and urban lot split applications within 60 days with written comments explaining a denied application.
- **Unit Development Standards:** Removes standards for one-unit development that do not apply to all development in single-family zones, including standards for parking buffers, driveways, garage frontages, building massing, building articulation, and other building and site design features. SB 9 development that creates two or more primary dwellings must comply with the Multi-Unit Residential Design Standards, as currently required.

- **Urban Lot Split Standards:** Removes standards not related to the design or improvement of parcels, including standards for parking buffers and compliance with the multi-unit residential design standards.
- **Public Health and Safety Standards:** Limits standards certain standards to urban lots splits only to mirror existing standards that apply generally to residential subdivisions.

SB 9 Public Health and Safety Standards were adopted by City Council resolution and are not contained within the Municipal Code. Proposed changes to these standards are provided in Attachment 1 Exhibit C.

As noted above, local jurisdictions may not impose standards on SB 9 development that do not also apply to single-family homes in the zoning district. An alternative to the proposed amendments is to establish new design standards that apply to all development in single-family zones, including new single-family homes and SB 9 units. This would require significant time and effort and would need to be completed separate from the proposed amendments.

Proposed General Plan Amendment

Given the requirements of SB 450, City staff also recommends adding the following new policy to the General Plan Mobility Element:

> **"Policy M-3.21: Highway 17 Access Hazards.** Any development that would create one or more new dwelling units is not permitted where vehicle access to the site is provided solely from Highway 17 at the following locations as identified in the Highway 17 Access Management Plan (California Department of Transportation, 2016):
>
> a. Driveway at PM 6.712 (Map ID #24)
>
> b. Crescent Drive (Map ID #25)
>
> c. Driveway at PM 6.485 (Map ID #26)
>
> d. Sawyer Circle (PM: 6.787)"

This new policy would enable the City to prohibit all new unit development, including SB 9 units and ADUs, in identified high traffic hazard areas. This policy is necessary to protect public safety given the hazardous traffic conditions caused by driveways located off Highway 17 as described in Highway 17 Access Management Plan. This policy is also necessary to ensure adequate and safe access and evacuation in case of an emergency in locations prone to wildfire and geologic hazards.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

To comply with the California Environmental Quality Act (CEQA), an Addendum to the General Plan Update EIR was prepared for the proposed amendments to implement the Housing Element. Under CEQA, the City may prepare an EIR Addendum if the proposed

amendments would not create new or substantially more severe environmental impacts than analyzed in the General Plan Update EIR. Attachment 2 provides the Draft EIR Addendum for the proposed amendments, which concludes that the amendments would not result in any significant impacts not considered under the General Plan Update EIR, and that the City does not need to prepare a Subsequent EIR for the amendments.

PUBLIC NOTICE & COMMENT

On April 25, 2025, public hearing notices were posted at City Hall, the Scotts Valley Branch Library, and the Scotts Valley Senior Center, consistent with State law. As of the date of this staff report no comments have been received on the proposed Zoning Code Amendments.

ATTACHMENTS

1. Resolution No. 1804 recommending the City Council adopt amendments to Scotts Valley Municipal Code, the General Plan, and SB 9 Standards to implement 6th Cycle Housing Element programs.

   Exhibit A: General Plan Land Use Element Amendments
   Exhibit B: Zoning Code and Subdivision Ordinance Amendments
   Exhibit C: SB 9 Standards Amendments

2. Draft Addendum to the General Plan EIR for the Sixth Cycle Housing Element – 2025 Implementation Actions

3. March 13, 2025 Planning Commission Study Session Staff Report

RESOLUTION NO. 1804

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SCOTTS VALLEY RECOMMENDING THE CITY COUNCIL APPROVE GENERAL PLAN AMENDMENT NO. GPA25-001 AND MUNICIPAL CODE AMENDMENT NO. AZO25-001 TO IMPLEMENT THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN

WHEREAS, on December 20, 2023, the City Council adopted the 2023-2031 Housing Element of the General Plan (Housing Element);

WHEREAS, the Housing Element contains programs that call for the City to amend Municipal Code Title 17 (Zoning Code) to implement Housing Element goals and policies;

WHEREAS, the Planning Commission held a study session on March 13, 2025 to provide preliminary input on an approach to Zoning Code Amendments to implement the Housing Element;

WHEREAS, City staff used Planning Commission input to prepare amendments to the Scotts Valley Municipal Code Title 17 (Zoning), Title 16 (Subdivisions), SB 9 Standards, and General Plan ("Proposed Amendments") to implement the Housing Element;

WHEREAS, an Addendum to the General Plan Update Environmental Impact Report (SCH 2020070330) (EIR) was prepared for the Proposed Amendments in accordance with Section 15162 of the California Environmental Quality Act (CEQA) Guidelines. The EIR Addendum demonstrates that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred, and that the Proposed Amendments would not result in any significant impacts not considered under the original EIR;

WHEREAS, the proposed amendments and EIR Addendum were reviewed by the Planning Commission at regularly scheduled and noticed meeting on May 15, 2025.

NOW, THEREFORE, BE IT RESOLVED by Planning Commission as follows:

SECTION 1: The Planning Commission of the City of Scotts Valley hereby recommends approval of the General Plan Amendment pursuant to the following:

A. **The General Plan Amendment is consistent with State Law**. The General Plan Housing Element was certified by the California Department of Housing and Community Development (HCD) to be in compliance with state Housing Element law. The proposed amendments to the General Plan Land Use Element are necessary for consistency with the certified Housing Element and the Proposed Amendments that implement the Housing Element.

SECTION 2: The Planning Commission of the City of Scotts Valley hereby recommends approval of the Zoning Code Amendment pursuant to the following

A. **The Zoning Code Amendment is Consistent with the General Plan.** The Zoning Code Amendments are adopted for the specific purpose of implementing programs in the Housing Element and bringing the City's Zoning Code into conformance with the General Plan. The City has committed in the Housing Element to complete these Zoning Code Amendments by the end of 2025.

SECTION 3: The Planning Commission has reviewed and considered the Addendum to the General Plan Update EIR for the Proposed Amendments and finds that none of the conditions requiring preparation of a subsequent EIR or negative declaration have occurred and that the Proposed Amendments would not result in any significant impacts not considered under the original EIR. No supplemental or subsequent EIR is required because none of the circumstances requiring a supplemental or subsequent EIR exist (CEQA Guidelines Section 15162):

(a) No substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The proposed amendments do not create any additional environmental impacts.

(b) No substantial changes have occurred with respect to the circumstances under which the project is undertaken. No substantial evidence has been submitted showing any change in the circumstances applicable to the project.

(c) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, has been submitted to the City.

SECTION 4: The Planning Commission of the City of Scotts Valley hereby recommends the City Council approve General Plan Amendment GPA25-001 set forth in Exhibit A attached hereto and incorporated herein.

SECTION 5: The Planning Commission of the City of Scotts Valley hereby recommends the City Council approve Municipal Code Amendment AZO25-001 set forth in Exhibit B attached hereto and incorporated herein.

SECTION 6: The Planning Commission of the City of Scotts Valley hereby recommends the City Council approve amendments to the SB 9 standards set forth in Exhibit C attached hereto and incorporated herein.

THE ABOVE AND FOREGOING RESOLUTION was duly and regularly adopted and passed by the Planning Commission of the City of Scotts Valley at a regular meeting held on the 15th day of May, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____

Lori Gentile, Chair

_____

Taylor Bateman, Community Development Director

EXHIBIT A: Proposed General Plan Amendments

1. *Proposed revisions to Table LU-2 beginning on page LU-14 in the Land Use Element of the Scotts Valley General Plan (revisions shown in underline strikethrough):*

Table LU-2: General Plan Land Use Designations

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1-3]	Description	Potential Land Uses[4]
Residential				
Mountain	R-MT-5	1 du / 5 acres	Primarily for hillside areas of the city where environmental constraints require development at lower densities.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Rural	R-R-2.5	1 du / 2.5 acres	To provide areas for large- lot residential living and minor agricultural activities. To preserve, to the greatest extent feasible, the natural topography while creating a living environment which best serves the needs of its residents.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Estate	R-1-40	1 du /acre	To provide areas for single-family residential development where lot sizes and densities are designed to accommodate large areas of open space for recreational activities compatible with a residential environment.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Low	R-1-20	2 dus/acre	To provide areas for households that desire rural/suburban living with a range of housing options and are designed to accommodate areas of	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[1]
			open space for recreational activities compatible with a residential environment.	▪ Compatible public, quasi- public, and special uses
Medium	R-1-10	2 - 5 dus/acre	To provide areas for households that desire suburban living with a range of housing options, and to provide opportunities for limited neighborhood support uses and amenities.	▪ Single-family detached dwellings ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Medium High	R-M-6 and R-M-8	5 - 9 dus/acre	To provide areas for households that desire suburban living with a range of housing options, and to provide opportunities for neighborhood support uses and amenities.	▪ Single-family attached and detached dwellings ▪ Townhouses and condominiums ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
High	R-H	9 - 15 dus/acre	To provide areas for households that desire urban living within a compact and walkable neighborhood and provide opportunities for neighborhood support uses and amenities.	▪ Single-family attached dwellings ▪ Townhouses and condominiums ▪ Apartments ▪ Limited neighborhood- serving commercial ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas ▪ Compatible public, quasi- public, and special uses
Very High	R-VH	15.1 - 20 dus/acre	To provide areas for households that desire dense urban living within a compact, walkable neighborhood that is served by transit, and to provide opportunities for neighborhood support uses and amenities.	▪ Townhouses and condominiums ▪ Apartments ▪ Neighborhood-serving commercial ▪ Secondary dwelling units ▪ Accessory structures ▪ Public parks and recreation areas

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[1]
				▪ Compatible public, quasi- public, and special uses
Commercial				
Professional	C-P	35%	To provide areas for administrative, business and professional offices in which merchandise is not manufactured or sold.	▪ Professional services and office ▪ Compatible public, quasi- public, and special uses
Service	C-S	45%	To provide areas for convenient retail and service establishments that serve neighborhood and local populations and are served by transit and quality bicycle and pedestrian-friendly facilities.	▪ Retail, professional services, and office ▪ Compatible public, quasi- public, and special uses ▪ Very High residential (mixed- use) is permitted providing adjacent uses are compatible and the residential use is secondary to the retail use (i.e., consists of no more than 49% of the total gross square feet of the development).[4]
Shopping Center	C-SC	35%	To provide areas for urban centers with retail and services, office, and mixed-use establishments that serve local and regional populations, and are well served by transit and quality bicycle and pedestrian-friendly facilities.	▪ Retail, service, office ▪ Public gathering places such as plazas and courtyards ▪ Compatible public, quasi- public, and special uses ▪ Very High residential (mixed- use) is permitted providing adjacent uses are compatible and the residential use is secondary to the retail use (i.e., consists of no more than 49% of the total gross square feet of the development).[4]
Industrial				

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[1]
Light Industrial	I-L	50%	To provide areas for manufacturing, product assembly, warehousing and supporting uses and amenities.	▪ Industrial or manufacturing ▪ Office, retail and service uses that provide support to employees ▪ Compatible public, quasi- public, and special uses This designation should not be located adjacent to a residential or commercial use without substantial buffers
Industrial R&D	PD	n/a	To provide areas that involve activities related to corporate or governmental innovation involved in scientific and applied research, technology, and product design and development.	▪ Compatible public, quasi- public, and special uses ▪ Applies to the Enterprise Technology Center
Heavy Industrial	n/a		To provide areas that involve intensive manufacturing, mining and quarrying of minerals that due to their intensity of use are less compatible with residential and commercial categories	▪ Mining / quarry ▪ Chemical manufacturing
Other				
Public / Quasi-Public	P	n/a	To provide public facilities that are necessary or desired for public health, safety, and welfare and quasi-public facilities that serve the broader community.	▪ Public and private educational facilities ▪ Emergency services ▪ Health care facilities ▪ Religious facilities ▪ Governmental buildings ▪ Cultural facilities
Open Space / Conservation	OS	n/a	To provide areas for the conservation and sustainable use of the community's natural or scenic resources.	▪ Wetlands and open water ▪ Plant and wildlife habitats ▪ Timber production zones ▪ Floodplains ▪ Active and passive recreation facilities ▪ Greenways and trails ▪ Areas with permanent open space easements

EXHIBIT A: Proposed General Plan Amendments

General Plan Land Use Designation	Corresponding Zoning Designation	Residential Density/ Commercial Building Coverage[1,3]	Description	Potential Land Uses[1]
				▪ Buffers between developed areas ▪ Golf courses and commercial outdoor recreation facilities Farmlands and grazing areas ▪ Compatible public, quasi- public, and special uses
Special Treatment Areas	PD	n/a	To provide overlay designations for areas where planned developments or some form of special treatment is required for allow future development.	▪ Land uses are variable. See Special Treatment Areas discussion, below.

Notes:
(1) Residential – maximum dwelling units/gross acre. Commercial – maximum building coverage.
(2) n/a – Not applicable.
(3) On sites listed in Housing Element Table F-10: Scotts Valley 6th Cycle Candidate Sites, excluding APN 023-113-31 and 022-231-18 and properties within the Town Center Specific Plan area, the residential density, commercial building coverage, and potential land uses are as specified in Zoning Code Chapter 17.41 (Housing Element Opportunity Site Combining District.
(4) In the Mixed Use Rezone sites listed in Housing Element Table F-10, residential uses must consist of no more than 70 percent of the total gross square feet of the development. On Residential Rezone sites, there is no limit on the percent of development floor area that may be residential (i.e., residential-only development is allowed).

2. *Proposed new General Plan Mobility Element Policy:*

Policy M-3.21: Highway 17 Access Hazards. Any development that would create one or more new dwelling units is not permitted where vehicle access to the site is provided solely from Highway 17 at the following locations as identified in the Highway 17 Access Management Plan (California Department of Transportation, 2016):

a. Driveway at PM 6.712 (Map ID #24)

b. Crescent Drive (Map ID #25)

c. Driveway at PM 6.485 (Map ID #26)

d. Sawyer Circle (PM: 6.787)

EXHIBIT B:
SUBDIVISION ORDINANCE AND ZONING CODE AMENDMENTS

Note: The chapters and sections listed below contain proposed amendments, as provided in the following pages. All other Municipal Code sections remain unchanged.

Proposed Amendments to Title 16 (Subdivisions):

- **Chapter 16.78: Urban Lot Splits**

Proposed Amendments to Title 17 (Zoning):

- **Chapter 17.04 Definitions**
  - 17.04.070 Definition of "D" terms.
  - 17.04.230 Definition of "T" terms.
- **Chapter 17.14 R-1 Single-Family Residential Zoning District Regulations**
  - 17.14.020 Permitted uses.
  - 17.14.030 Conditional uses.
- **Chapter 17.20 C-S Service Commercial Zoning District Regulations**
  - 17.20.040 Development standards.
- **Chapter 17.22 C-SC Shopping Center Commercial Zoning District Regulations**
  - 17.22.040 Development standards.
- **Chapter 17.41 Housing Element Opportunity Site Combining District**
  - 17.40.040 Permitted Uses
  - 17.40.050 Development Standards
  - 17.40.050 Lot Consolidation Incentives
- **Chapter 17.44 General And Special Provisions**
  - 17.44.030 Off-street parking and loading requirements.
  - 17.44.060 Condominium conversions and condominiums.
  - 17.44.190 Racially Concentrated Areas of Affluence
- **Chapter 17.55 – SB 9 Residential Development**
  - 17.55.030 Permitting process.
  - 17.55.050 Development standards.
  - 17.55.060 Objective design standards.
  - 17.55.080 SB 9 triplexes.

Title 16: SUBDIVISIONS

Chapter 16.78 URBAN LOT SPLITS

16.78.010 Purpose and intent.

This chapter contains requirements for urban lot splits pursuant to Government Code Section 66411.7. These requirements are necessary to preserve public health, safety, and general welfare, and to promote orderly growth and development. In cases where a requirement in this chapter directly conflicts with Government Code Section 66411.7, the Government Code governs.

16.78.020 Definitions.

A. SB 9 Residential Development. A residential project on a parcel within a single- family residential zoning district proposed pursuant to Government Code Section 65852.21 and Municipal Code Chapter 17.55 (SB 9 Residential Development).

B. Urban Lot Split. The subdivision of an existing parcel into two parcels within a single- family residential zoning district proposed pursuant to Government Code Section 66411.7.

16.78.030 Permitting process.

A. Parcel Map Required. A parcel map is required for all urban lot splits pursuant to Government Code Section 66411.7.

B. Eligibility. The city shall accept a parcel map application for an urban lot split only if the application complies with all of the following requirements.

1. Zoning District. The existing parcel is located in the R-1 Single-Family Residential, R-R Residential-Rural, or R-MT Residential-Mountain zoning district.

2. Existing Parcel Size. The area of the existing parcel is two thousand four hundred square feet or more.

3. Environmental Resources and Hazards. The parcel satisfies the requirements of Government Code subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4, which prohibits development on sites subject to specified environmental resources and hazards.

4. Affordable and Rental Housing. The proposed urban lot split would not require demolition or alteration of any of the types of housing identified in Government Code paragraph (3) of subdivision (a) of Section 65852.21.

5. Historic Resources. The parcel is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code.

6. No Prior Urban Lot Split.

   a. The parcel was not established through a prior urban lot split.

   b. Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an urban lot.

C. Application Contents. A parcel map application for an urban lot split must be filed with the city on an official city application form. Applications shall be filed with all required fees, information, and materials as specified by the city.

D. Ministerial Approval. The city shall ministerially approve a parcel map for an urban lot split if the application complies with all requirements of this chapter. No public hearing or discretionary review is required.

E. Subdivision Map Act Compliance. The city shall approve an urban lot split only if it conforms to all applicable objective requirements of the subdivision map except as otherwise provided in this chapter.

F. Time Period for City Action.

1. The City shall approve or deny the urban lot split application within 60 days from the date the City receives a completed application. If the applicant requests a delay in writing, the 60-day time period shall be tolled for the period of the delay.

2. If the City does not approve or deny the completed application within 60 days, the application shall be deemed approved.

~~F~~G. Basis for Denial.

1. The city shall deny the urban lot split if either of the following is found:

a. The urban lot split fails to comply with any requirement in this chapter. Any such requirement that is the basis for denial shall be specified by the city in writing.

b. The building official makes a written finding, based upon a preponderance of the evidence, that the proposed subdivision would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Government Code Section 65589.5 of the Government Code, upon public health and safety ~~or the physical environment and~~ for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

2. The city shall not deny an urban lot split solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

3. For purposes of this chapter, "sufficient for separate conveyance" means that each attached or adjacent dwelling unit is constructed in a manner adequate to allow for the separate sale of each unit in a common interest development as defined in Civil Code Section 1351 (including a residential condominium, planned development, stock cooperative, or community apartment project), or into any other ownership type in which the dwelling units may be sold individually.

H. Comments for Denied Application.

1. If the City denies an urban lot split application, the City shall provide written comments to the applicant that list the items that are defective or deficient and describe how the application can be remedied by the applicant.

2. Written comments required by Paragraph 1 above shall be provided to the applicant within the time period described in Subsection F (Time Period for City Action) of this section.

~~G~~I. Conditions of Approval.

1. Easements. The city shall condition parcel map approval on the dedication of any easements deemed necessary for the provision of public services to the proposed parcels and any easements deemed necessary for access to the public right-of-way.

2. Dedications and Improvements. The city shall not require dedications of rights- of-way or the construction of offsite improvements for the parcels being created as a condition of parcel map approval.

3. Nonconforming Zoning Conditions. The city may not require the correction of nonconforming zoning conditions on the parcel a condition of parcel map approval.

16.78.040 General requirements.

A. Number of New Parcels. An urban lot split may create no more than two new parcels.

B. New Parcel Size. The area of each newly created parcel must be:

1. At least one thousand two hundred square feet; and

2. No smaller than forty percent of the parcel area of the original parcel.

C. Lot Dimensions and Density. Minimum lot area, width, depth and density standards in the applicable zoning district do not apply to an urban lot split.

D. Maximum Number of Dwelling Units. No more than two dwelling units, including any accessory dwelling units or junior accessory dwelling units, are permitted on a parcel created by an urban lot split.

E. Access to Public Right-of-way. The newly created parcels shall provide access to the public right-of-way sufficient to allow development on the parcel to comply with all applicable property access requirements under the California Fire Code section 503 (Fire Apparatus Access Roads) and California Code Regulations Title 14, section 1273.00 et seq. (Intent).

F. Setbacks. An SB 9 residential development on a parcel created by an urban lot split shall comply with the following setback requirements:

1. Minimum Yards:

a. Front: As required in the applicable zoning district.

b. Side: Four feet, except that no yard is required for a new side lot line shared between two parcels created through the urban lot split.

c. Rear: Four feet.

2. As provided in Section 17.55.050, an SB 9 residential development that complies with the minimum yard requirement for a single-family dwelling in the applicable zoning district is eligible for greater building height and unit size than is allowed for SB9 residential development that does not comply with the zoning district minimum yard requirement.

3. Notwithstanding Paragraph 1 above, no setback is required for an existing structure or a structure reconstructed in the same location and to the same dimensions as an existing structure.

G. Parking. An SB 9 residential development on a parcel created by an urban lot split shall comply with the following parking requirements:

1. Required Parking. A minimum of one off-street parking space shall be provided for each dwelling unit except as provided in Paragraph 2 below.

2. Exceptions to Required Parking. No off-street parking is required in the following cases:

a. The parcel is located within one-half mile walking distance of either a high- quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code.

b. There is a car share vehicle located within one block of the parcel. A car share vehicle means a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization that meet all the following criteria:

(1) Provides hourly or daily service;

(2) Vehicle reservations are processed and paid for using an on-line system;

(3) Vehicles can be accessed where they are parked without having to go to a different physical location to execute a contract and/or pick up the keys; and

(4) Fleet has more than five cars in Scotts Valley and more than twenty cars in Santa Cruz County.

3. Location on Lot. As required by Section 17.44.030(J), driveways and parking spaces shall not proportionately occupy more than three hundred square feet for each ten feet of required front yard setback.

~~4. Garages. Required parking spaces may be uncovered for an SB 9 project with two or fewer new units, including accessory dwelling units. Required parking shall be in a garage for the third or fourth unit in an SB 9 project.~~

~~5. Landscape Buffer.~~

~~a. Where a parking area with three or more spaces is located across a street or alley from or immediately adjacent to a residential district, a landscape strip not less than five feet in depth shall be planted and permanently maintained along the abutting property line of the parking area.~~

~~b. The landscape strip shall contain a row of landscaping with a minimum planting height of thirty-six inches.~~

~~c. Landscaping shall comply with intersection and driveway vision clearance requirements in Zoning Code Section 17.46.110.E.~~

H. Residential Land Use. The primary use of an SB 9 development on a parcel created by an urban lot split must be residential.

I. Owner Occupancy Affidavit.

1. The applicant for an urban lot split must sign an affidavit stating that the applicant intends to occupy one of the housing units as their principal residence for a minimum of three years from the date of the approval of the urban lot split.

2. Owner-occupancy is not required if the owner is a community land trust or qualified nonprofit corporation under Sections 214.15 or 402.1 of the Revenue and Taxation Code.

J. Vacation Rentals Prohibited. An SB 9 residential development on a parcel created by an urban lot split may not be rented for a term of less than thirty-one days.

K. Public Health and Safety. An urban lot split shall comply with the City of Scotts Valley SB 9 Public Health and Safety and Environmental Resource Protection Standards, which are adopted by City Council resolution and may be amended from time to time.

L. Municipal Code Compliance.

1. An urban lot split shall comply with all applicable provisions of the Municipal Code unless otherwise specified in this chapter.

2. In case of conflict between this chapter and other provisions in the Municipal Code, this chapter governs.

3. The city shall not impose any objective Municipal Code standard that would physically preclude the construction of two units on either of the resulting parcels or that would result in a unit size of less than eight hundred square feet. The community development director shall grant an exception to the applicable standard to the minimum extent necessary to comply with this section.

16.78.050 Objective standards.

~~A. Multi-Unit Residential Design Standards. Parcels created by an urban lot split shall comply with the Multi-Unit Residential Design Standards, which are adopted by city council resolution and may be amended from time to time.~~

A~~B~~. Parcel Line Angles. New parcel lines that abut a street shall maintain right angles to streets or radial to the centerline of curved streets, or be parallel to existing parcel lines.

B~~C~~. Street Frontage/Flag Lots.

1. For an urban lot split on a vacant lot that meets the zoning district minimum lot width, each newly created parcel shall have street frontage no less than forty percent of the street frontage of the original parcel. A flag/access easement area of a flag lot may not be used to satisfy this minimum street frontage requirement.

2. For an urban lot split on a vacant lot that does not meets the zoning district minimum lot width or on a lot with an existing home, the newly created parcels shall comply with one of the following:

   a. Each newly created parcel has street frontage no less than forty percent of the street frontage of the original parcel; or

   b. The urban lot split creates a flag lot consistent with existing objective flag lot standards in SVMC Section 17.46.060.F. City council approval of the flag lot is not required.

C~~D~~. Allowed Exceptions.

1. The city shall not impose any objective standards pursuant to this section that would physically preclude the construction of two units on either of the resulting parcels or that would result in a unit size of less than eight hundred square feet.

2. The community development director shall grant an exception to the applicable standard to the minimum extent necessary to comply with this section.

16.78.060 Deed restrictions.

A. Before obtaining a building permit for an SB 9 residential development on a parcel created by an urban lot split, the property owner shall file with the county recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the current owner. The deed restriction shall state that:

   1. The parcel was created by an urban lot split and no further subdivision of the parcel is permitted.

   2. The dwelling unit(s) on the parcel may not be rented for a term of less than thirty-one days.

B. The above declarations are binding upon any successor in ownership of the property. Lack of compliance shall be cause for code enforcement.

C. The deed restriction shall lapse upon removal of all dwelling units established on a parcel created under this chapter.

Title 17: ZONING

Chapter 17.04 DEFINITIONS

17.04.070 Definition of "D" terms.

"Duplex" -means a building that contains two dwelling units, each with its own exterior entrance. Each unit within a duplex provides complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

"Dwelling" means any building or portion thereof, designed or used as the residence or sleeping place of one or more persons.

"Dwelling, multifamily" means a building, or portion thereof, designed or used for residential purposes by two or more families or housekeeping units. This term includes single-room occupancy facilities and group homes as defined by this chapter.

"Dwelling, primary" means a dwelling unit on a lot that is not an accessory dwelling unit or a junior accessory dwelling unit as defined by this chapter.

"Dwelling, single-family" means a detached building designed or used for residential purposes by one family or housekeeping unit. This term includes a single-family dwelling used as a group home as defined by this chapter.

"Dwelling, townhouse" means a one-family dwelling in a row of at least two such units in which each unit has its own front and rear access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more common, fire-resistant walls.

"Dwelling unit" means one or more rooms in a building, or portion thereof, designed, intended to be used, or used for occupancy by one family for living and sleeping purposes and having only one kitchen.

17.04.230 Definition of "T" terms.

"Target population" means adults with low-income having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people; as defined in Section 50675.14 of the California Health and Safety Code.

"Temporary structure" means a structure without any foundation or footings and which is removed when the designated time period, activity or use for which the temporary structure was erected has ceased.

"Top of bank" means the edge of the floodway as depicted in Figure 17.04.230. Within the area formed by the edges of a floodway shall lie a stream channel and the portions of the adjacent hundred-year flood plain as required to efficiently carry the flood flows of the stream. This area includes areas A and B as shown on the diagram in Figure 17.04.230. This definition is not intended to be used to define a bank-to-bank easement or offer of dedication for open space and drainage or any other purpose in other ordinances of the city or other titles of this code. "Top of bank" is defined only for purposes of the zoning ordinance codified in this title.

"Tot lot" means an improved and equipped play area for small children (usually up to elementary school age).

Townhouse. See "Dwelling, townhouse"

"Transitional housing" means temporary rental housing intended for occupancy by target populations transitioning to permanent housing that is operated under program requirements calling for the termination of

assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months as defined in Section 50675.2 of the California Health and Safety Code.

"Trellis" means a vertical structure or frame constructed of materials including but not limited to lattice work or other similar wood, metal or plastic embellishment used as a screen or as a support for climbing plants. See definition of Fence, open.

“Triplex” means a building that contains three dwelling units, each with its own exterior entrance. Each unit within a triplex provides complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

Chapter 17.14 R-1 SINGLE-FAMILY RESIDENTIAL ZONING DISTRICT REGULATIONS

17.14.020 Permitted uses.

Permitted uses are as follows:

A. Foster homes where the total number of children, including those of the proprietary family, is six or fewer;

B. Mobile homes and manufactured housing;

C. Single-family dwellings;

D. Accessory uses located on the same site with a permitted use which are incidental to the permitted use, including but not limited to home occupations (subject to the provisions of Section 17.50.040 of this title), the keeping of four cats, four dogs or a combination thereof not to exceed a total of four and private garages and parking areas.

E. Small family child care homes;

F. Small community care facilities.

G. Transitional housing and supportive housing.

H. Accessory dwelling units and junior accessory dwelling units pursuant to chapter 17.57 and 17.58 of this title.

I. Townhouses and condominiums conforming to the density requirements of this chapter located in racially concentrated areas of affluence (RCAA). See Section 17.44.190 (Racially Concentrated Areas of Affluence).

17.14.030 Conditional uses.

The following conditional uses shall be permitted upon the granting of a use permit in accordance with the provisions of Section 17.50.020 of this title:

A. Country clubs and golf courses;

B. Day care centers;

C. Foster homes where the total number of children, including those of the proprietary family, exceeds six;

D. Occupancy of existing dwelling while constructing a replacement dwelling on the same lot;

E. Private stables, in accordance with Section 17.46.040 of this title;

F. Public and quasi-public uses, including churches, synagogues and other places of worship, firehouses, parks and playgrounds, schools, and public utility buildings and uses;

G. Large family child care homes: No person shall operate a large family child care home without obtaining a large family child care home permit in compliance with the standards set forth within Section 17.50.015;

H. Townhouses and condominiums conforming to the density requirements of this chapter located outside of racially concentrated areas of affluence (RCAA). See Section 17.44.190 (Racially Concentrated Areas of Affluence);

I. Tract offices and temporary construction trailers.

Chapter 17.20 C-S SERVICE COMMERCIAL ZONING DISTRICT REGULATIONS

17.20.040 Development standards.

The following development standards shall apply in the C-S zoning district:

A. Minimum lot area: Ten thousand square feet;

B. Minimum lot width: One hundred feet;

C. Minimum lot depth: One hundred feet;

D. Minimum lot frontage: One hundred feet;

E. Maximum building coverage: fifty ~~Forty-five~~ percent;

F. Minimum setbacks:

1. Front, twenty feet,
2. Rear, zero feet,
3. Side, zero feet,
4. Interior lot: Where the lot is adjacent to any "R" district, the side yard shall be a minimum of ten feet in width,
5. Corner lot: The exterior side yard of a corner lot shall be a minimum of fifteen feet,
6. Rear yard: There are no rear yard requirements except if abutting an R district; then rear yard shall be a minimum of twenty feet;

G. No structure shall exceed thirty-five feet in height in the C-S districts. However, if the first floor of the structure is used for parking and is at a natural grade, the thirty-five-foot height limit may be exceeded upon the granting of a use permit by the planning commission, subject to the provisions of Section 17.50.020 of this title. In addition to the findings required in Section 17.50.020, the planning commission also must be able to make the following findings:

1. On a parcel which slopes down from an arterial or collector street, the garage is below the level of the adjacent street(s) or on parcels sloping up from a major street, the garage is below natural grade,
2. The garage will be buffered from view by earthen mounds three feet in height and landscaping, including shrubs, will be installed. The landscaping plan has been prepared showing the buffer and landscaping;

H. Where a site adjoins any residential zoning district, a solid wall or a fence, vine-covered fence or compact evergreen hedge six feet in height shall be located on the property line except in a required front yard and permanently maintained. In addition, a minimum of five feet adjoining the property line shall be landscaped with plant material and permanently maintained when such landscaping is necessary to insure privacy or to screen views, as determined by the design review board;

I. Not less than ten percent of the total site area shall be landscaped and permanently maintained;

J. Not less than ten feet of a required yard adjoining a street shall be landscaped and permanently maintained;

K. Trash disposal: Each parcel shall provide adequate and accessible trash disposal areas. Such disposal areas shall be screened from public view by masonry or solid wood fencing of at least six feet in height;

L. All business, services and processes shall be conducted entirely within a completely enclosed structure, except for off-street parking and loading areas, gasoline service stations, garden shops, Christmas tree sales, open-air markets, outdoor theatrical activities and the sale of nursery products;

M. Hours of Operation. All commercial activity located on the same site as multiple-family dwellings shall be limited to the hours of operation between seven a.m. and nine p.m., Monday through Friday, and between nine a.m. and six p.m. on Saturdays and Sundays;

N. Outdoor seating at restaurants will be allowed by permit issued by the planning department under the following conditions:

1. A site plan shall be submitted to the planning department for review and approval;
2. The plan shall be reviewed and approved by the building department, fire district and police department to insure compliance with federal, state and local laws;
3. All seating shall be confined to a specific area; and
4. Failure to maintain the seating within the identified area or interference with the free flow of pedestrians shall be sufficient grounds for revocation of the outdoor seating permit.

O. Outdoor Storage:

1. Location. Outdoor storage uses are prohibited next to housing;
2. Development standards. To ensure adequate screening of new outdoor storage uses, design review approval by the planning commission shall be required and processed with the required use permit application. Screening of outdoor storage shall meet the following standards:
   a. Permanent screening from any adjacent public and private rights-of-way and/or adjacent property;
   b. Solid or semi-solid fence of brick, stone, tile, masonry units, or wood at least eight feet tall. Chain-link fence may not be acceptable;
   c. Stored materials not to project above the wall or fence, unless approved;
   d. Public works department review for adequacy of access;
   e. Gates securely locked when not in use; and,
   f. Any other requirements deemed appropriate by the community development director.
3. Maintenance: All required screening shall be regularly well-maintained in a good and upright condition and shall be repaired or replaced to the original required state if damaged, destroyed, or in need of repair. Screening shall remain in place for as long as the use is allowed on the property.

P. Accessory Structures. See Section 17.46.130 (Accessory Structures).

Chapter 17.22 C-SC SHOPPING CENTER COMMERCIAL ZONING DISTRICT REGULATIONS

17.22.040 Development standards.

The following development standards shall apply in the C-SC zoning district:

A. Minimum lot area: Ten thousand square feet;

B. Minimum lot width: One hundred feet;

C. Minimum lot depth: One hundred feet;

D. Minimum lot frontage: One hundred feet;

E. Maximum building coverage: fifty ~~Thirty-five~~ percent;

F. Minimum setbacks:

1. Front: Twenty feet.
2. Rear: Zero feet.
3. Side: Zero feet.
4. Interior lot: Where the lot is adjacent to any residential district, the side yard shall be a minimum of ten feet in width.
5. Corner lot: The exterior side of a corner lot shall be a minimum of fifteen feet.
6. Rear yard: There are no rear yard requirements exempt if abutting a residential district, then rear yard shall be a minimum of twenty feet;

G. Maximum height: Thirty-five feet;

H. [Reserved];

I. Not less than ten feet of a required yard adjoining a street shall be landscaped and permanently maintained;

J. All business, services and processes shall be conducted entirely within a completely enclosed structure, except for off-street parking and loading areas, gasoline service stations, garden shops, Christmas tree sales, open-air markets, outdoor theatrical activities and the sale of nursery products;

K. A minimum of ten percent of the total site area shall be landscaped and permanently maintained; and

L. Outdoor seating at restaurants will be allowed by permit issued by the planning department under the following conditions:

1. A site plan shall be submitted to the planning department for review and approval;
2. The plans shall be reviewed and approved by the building department, fire district and police department to insure compliance with federal, state and local laws;
3. All seating shall be confined to a specific area; and
4. Failure to maintain the seating within the identified area or interference with the free flow of pedestrians shall be sufficient grounds for revocation of the outdoor seating permit.

Chapter 17.41 HOUSING ELEMENT OPPORTUNITY SITE COMBINING DISTRICT

17.41.010 Purpose

The purpose of the housing element opportunity site (HE) combining district is to facilitate affordable housing production on opportunity sites identified in the General Plan 6th cycle Housing Element.

17.41.020 Applicability.

The HE combining district applies to the following parcels, where located outside of the Town Center Specific Plan area:

A. -Non-vacant sites listed in General Plan 6th cycle Housing Element Table F-10: Scotts Valley 6th Cycle Candidate Sites that were Identified in 5th cycle housing elements.

B. Vacant sites listed in General Plan 6th -Housing Element Table F-10: Scotts Valley 6th Cycle Candidate Sites that were Identified in the 4th and 5th cycle housing elements.

C. Residential and ~~Mixed Use~~Mixed-Use Rezone sites as listed in General Plan 6th cycle Housing Element Table F-10 and shown in Figure F-1, except for APN 023-113-31 and 022-231-18.

17.41.030 Permitting Process

A. **Affordable Housing.** The following permitting requirements apply to a proposed multiple family residential development project with 20 percent or more of units affordable to lower-income households:

~~A.~~ 1. The proposed project shall be reviewed by the City through a by-right approval process. As used in this section, by-right approval means that project conformance with objective standards is the sole basis to approve or deny the application. The review authority may not consider project conformance with subjective policies or requirements when acting on the application.

~~B.~~ 2. The proposed project requires ministerial design review as provided in Section 17.50.045 (Ministerial Design Review).

3. A project that requires a subdivision map must comply with City subdivision requirements and the California Subdivision Map Act (Government Code Sections 66410 – 66499.40).

B. **Other Projects**. For proposed development projects not specified in Subsection A (Affordable Housing) above, the permitting requirements are as otherwise required by the zoning ordinance and any applicable state law.

17.41.040 Permitted Uses

A. Residential Uses. Multifamily dwellings are a permitted use in the HE combining district, subject to the following:

1 In the Mixed Use Rezone sites listed in General Plan 6th cycle Housing Element Table F-10, Residential uses must occupy less than 70 percent of the total gross square feet on the property.

2. On Residential Rezone sites, residential-only development (no commercial on site) is ~~allowed~~permitted.

B. Other Uses. All other permitted, conditionally permitted, and prohibited uses in the HE combining district are as specified by the base zoning.

17.41.050 ~~Density~~Development Standards

~~A.~~ **A.** ~~**For a project that creates one or more new dwelling units on a development site, the minimum density is 20 dwelling units per acre.**~~

~~**The City shall allow at least 16 dwelling units on each development site in the HE combining district, regardless of lot size.**~~ **Standards.** Table 17.41-1 shows development standards in the HE combining district. For standards not listed in Table 17.41-1, the standards of the base zoning apply. Where ~~the~~a standard in Table 17.41-1 conflicts with the base zoning, Table 17.41-1 governs.~~-~~ ~~As used in this section, "base zoning" includes requirements in any applicable specific plan.~~

Table 17.41-1: HE Combining District Standards

	Rezone Sites [1]	**All Other Sites** [1]
Minimum Density [2]	20 du/ac	20 du/ac
Allowed Units per Site [3]	No less than 16	No less than 16
Maximum Density	40 du/ac	As specified by base zoning
Building Coverage	60%	As specified by base zoning
Height		
Stories	3	As specified by base zoning
Top Plate Height	Residential only: 35 ft. Vertical mixed use: 40 ft. [4]	As specified by base zoning
Roof Height	Additional 6 ft. above max. top plate height for roof with min. 5:12 pitch	As specified by base zoning

Notes:
[1] A "rezone site" means a Residential or Mixed Use Rezone site listed in General Plan 6th cycle Housing Element Table F-10. "All other sites" means a site in the HE combining district that is not a rezone site, except for APN 023-113-31 and 022-231-18.
[2] Applies only to projects that create one or more new dwelling units.
[3] The City shall allow at least 16 dwelling units on each development site regardless of lot size.
[4] Plate height greater than 35 ft. for vertical mixed use development is permitted only if floor to ceiling height of ground floor commercial space is 12 feet or greater.

B. Deviations

1. If a development standard that applies~~y~~ to a site in the HE combining district physically precludes construction of the housing development at its proposed density, the applicant may request deviation from the limiting standard in accordance with policies established by the community development department.
2. The applicant must submit reasonable documentation that the existing standard physically precludes the construction of the housing development at its proposed density.
3. The deviation from the standard may be no greater than the minimum needed to achieve the proposed density.
4. For projects reviewed by the City through a by-right approval process, the C~~c~~ommunity D~~d~~evelopment D~~d~~irector may defer final decision on a requested deviation to the Planning Commission.

17.41.050 Lot Consolidation Incentives

A. Eligibility. The City shall grant lot consolidation incentives for development projects in the HE combining district that meet all of the following criteria:

1. The proposed project merges one or more parcels less than one-half acre in size with an adjacent parcel.

2. All proposed units are deed restricted affordable for new fewer than 55 years.

a. Rental units shall be made affordable to households earning no more than 80% of the County's Area Median Income (AMI)o less than 55 years.

a. Rental units shall be made affordable to households earning no more than 80% of the County's Area Median Income.

b. Ownership units shall be made affordable to households earning no more than 120% of AMI;

3. The proposed project complies with the minimum density standard in Table 17.41-1 (HE Combining District Standards) or any applicable specific plan as applied to the newly created parcel.

4. For mixed-use projects, residential uses occupy at least 85 percent of the project's gross floor area.

B. Incentives. A proposed project that meets the eligibility criteria in Subsection A above is entitled to one or more of the following incentives:

1. Deviation from applicable physical development and subdivision standards as necessary to allow the proposed 100 percent affordable development project.

a. Deviation from subdivision standards may not conflict with any applicable requirement in the California Subdivision Map Act.

b. The applicant must submit reasonable documentation that the existing standard precludes development of the proposed affordable housing project. The deviation from the standard may be no greater than the minimum needed to allow for the proposed project.

2. City funding and financial resources as available, including reduced or waived City fees.

3. Priority application processing and placement on public meeting agendas.

4. City technical assistance to assist with site planning, grant funding, project financing, and subdivision approvals.

17.41.0~~5~~70 Replacement Units for Non-Vacant Sites

A development project that eliminates existing units affordable to lower income households must replace these units with new affordable units as required in paragraph (3) of subdivision (c) of Government Code Section 65915.

17.41.0~~6~~80 Sunset

This section shall remain in effect only until December 15, 2031, and as of that date is repealed.

Chapter 17.44 GENERAL AND SPECIAL PROVISIONS

17.44.030 Off-street parking and loading requirements.

F. Schedule of Off-Street Parking Space Requirements.

USE	PARKING SPACES REQUIRED
Single-family dwellings	Each dwelling unit shall have a two-car garage, plus one additional covered or uncovered parking space (a minimum of three parking spaces).
Multi-family dwellings	Studio and 1 bedroom: 1 space 2 bedroom: 1.5 spaces 3+ bedroom: 2 spaces~~Two parking spaces for each dwelling unit; plus one additional parking space for every five units, or fraction thereof.~~
Business, professional modified and trade schools and colleges, and crafts, music and dancing schools	Two spaces for each five hundred square feet of gross floor area unless approved by the planning commission.
Commercial service modified enterprises, repair shops, wholesale establishments and retail stores which handle only bulky merchandise such as furniture and household appliances	One space for each five hundred square feet of gross floor unless approved by the planning commission.
Automotive repair and related services	One space for each two hundred fifty square feet of gross floor area.
Business and professional officers area	One space for each two hundred fifty square feet of gross floor area.
Medical and dental officer/clinic	Five spaces for each doctor/dentist or one space for each two hundred square feet of gross floor area, whichever is greater, plus additional spaces as may be required for employees and/or conference activities.
Motels, hotels, lodging houses, bed and breakfast establishments, and private clubs providing sleeping accommodations	One space for each living unit or bedroom, whichever is greater, plus one space for each six hundred square feet of office and storage.
Restaurants, bars, soda fountains, cocktail lounges, cafes, night clubs, cafeterias and similar establishments serving food	One space for each sixty square feet of floor area for public accommodation plus one space for each two hundred fifty square of non public accommodation floor area
Research and development, including computer assembly, circuit board assembly and related activities	One space for each two hundred fifty square feet of gross floor area to be provided with initial construction. An additional number of spaces shall be provided so that the total number of spaces is equal to one space per each one hundred square of gross floor area. The additional parking will be parking at a later when needed.
Mini Storage	Four spaces plus additional spaces as may be required by the planning commission.
Churches, theaters, assembly halls, convention centers, auditoriums, dance halls, lodges, social halls, mortuaries and funeral homes	One space per each three and one half fixed seats or one space per fifty square feet of gross floor area, whichever is greater.

Warehouses, storage buildings and storage facilities that must be combined with commercial or industrial uses	One space for each one thousand square feet of gross floor area.
Hospitals, sanitariums, nursing homes and charitable and religious institutions providing sleeping accommodations	One space for each three beds. Where needed, additional spaces for employee parking may be required by the planning commission.
Libraries, museums, art galleries and similar uses	One space for each employee plus additional number of space as may be prescribed by the planning commission.
Open air commercial uses, nurseries, motor vehicle sales lots	One space per one thousand square feet of lot area devoted to sales.
Day care center	One space for each three hundred square feet of gross floor area.
Public and private elementary and junior high schools	Ten spaces plus one space per classroom, plus sufficient space for safe and convenient loading and unloading of students. Where needed, additional spaces for student parking may be prescribed by the planning commission.
Public or private high schools or colleges	One space per ten students plus one per classroom. One space per one employee, including teachers and administrators, plus sufficient space for safe and convenient loading and unloading of students.
Retail sales uses	One space for each two hundred fifty square feet of gross floor area.
Other uses not specified	The number of parking spaces required for any use not specified shall be determined by the planning commission.

17.44.060 Condominium conversions and condominiums.

A. Intent. Residential condominiums provide for individual ownership of separate dwelling units which usually are proximate to one another. The area surrounding the dwelling units is a common area that is managed and maintained by the individual owners of dwelling units in accordance with the rules of an associated agreement. This mix of individual and common ownership is different from detached single-family residences and apartment house use; in single-family dwellings the dwelling is physically separate and the yard areas are under the more or less complete control of the owner; in conventional apartments there is an implied guarantee of continuous and effective management of the project. The occupant is not the owner of the unit and does not have the financial commitment or problems of use, maintenance or resale associated with ownership. The unique nature of condominium projects tends to magnify the effects associated with higher urban densities to the point where they may have deleterious effects upon the occupant, seller and buyer, who often do not appreciate the implications of condominium living and ownership; this may lead to conditions of mismanagement, neglect and blight that affect the public health, safety, welfare and economic prosperity of the larger community. To ensure that such problems are avoided in both the short and long term, it is the express intent of the city to treat such projects differently from other multiple-family dwelling developments of other structures which are not residential condominium projects. It is found that the implementation of this section requires adoption of special requirements contained in this section for new condominium developments and the conversion of existing community apartment projects to residential condominiums.

B. Purpose. The purpose of this section is to:

1. Establish requirements and procedures to be followed for the review and approval or disapproval of:
    a. New condominium project development, and
    b. The conversion of existing multiple-family rental housing to residential condominiums;
2. Establish criteria for new condominium developments and condominium conversion projects by requiring conformance to the city's building code and other development standards set forth in this section;
3. Ensure that the developer of the project provides adequate private outdoor living space, storage and parking space, open space and other amenities;
4. Provide for planning, unforeseen change and compliance with the city's General Plan and housing element;
5. Provide:
    a. A desirable balance of rental and ownership housing within the city, and
    b. A variety of individual choice of tenure, type, price and location of housing;
6. Ensure that the project sponsor is attentive to the performance characteristics of the structure and mitigates such problems as vibration and noise transmission which may not be apparent to the buyer without living in the unit but which, if not adequately attenuated, may nevertheless render the living environment within the project insufferable and the transfer of unit ownership difficult;
7. Ensure that the project sponsor uses contemporary and environmentally sensitive concepts of site planning and architectural design in the construction of a new condominium project and ensure that the project, once completed, maintains its integrity, not only to preserve the long-term financial commitment of the unit owner but to optimize the utilitarian and aesthetic qualities that make the project a viable home for the owner long into the future.

C. Definitions. For the purposes of this section, certain words and phrases are defined and certain provisions shall be construed as set forth in this subsection unless it is apparent from their context that a different meaning is intended.

1. "Association" means an organization composed of persons who own a condominium unit(s) or right of exclusive occupancy in a community apartment, and who are organized to operate and maintain common areas for condominiums.
2. "Common area" means the area that is available to the common use of unit owners in an entire project, excepting the individual units therein.
3. "Community apartment" means one residential unit within a community apartment project. For the purposes of this section "community apartment" means the same thing and shall be treated in the same manner as a unit as defined in subdivision 17 of this subsection.
4. "Community apartment project," as defined in Section 11004 of the Business and Profession Code, means a development of real property in which an undivided interest in the land is coupled with the right of exclusive occupancy of a designated residential unit located thereon or therein. For the purposes of this title, "community apartment" means the same thing and shall be treated the same way as a residential condominium, as defined in subdivision 14 of this subsection.
5. "Condominium" means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property, together with a separate interest in space in a residential building such as an apartment. A condominium may include, in addition, a separate interest in other portions of such real property.
6. "Condominium documents" means the covenants, conditions and restrictions, the description of the project elements and any other documents establishing a plan for condominium ownership.

7. "Conversion" means a change in the type of ownership of a parcel or parcels of real property, together with the existing attached structures, to that defined as a condominium development or a community apartment project regardless of the present or prior use of such land and structures and whether substantial improvements have been made or are to be made to such structures.

8. "Covenants, conditions and restrictions" means a written declaration relating to the maintenance, operation, duties and responsibilities of the common owners of the project and may include, but is not limited to those restrictions provided for in Section 1355 of the California Civil Code and as such may hereafter be amended.

9. "Developer" means the owner or subdivider of real property with a controlling proprietary interest in the proposed project.

10. "Open space" means open space on the project (exclusive of the required front setback area) which is to be used exclusively for leisure and recreational purposes, for the use and enjoyment of occupants of units on the project and to which such occupants shall have the exclusive right of use and enjoyment. Accessory structures such as swimming pools, recreational buildings and landscaped areas may be included as open space.

11. "Owner" means the owner of a residential condominium unit.

12. "Project" means the entire parcel of real property divided or to be divided into condominiums, including all structures thereon.

13. "Project elements" means condominium units which are to be conveyed, the areas and spaces which are to be assigned to such units and the common areas (including improvements) which are to be shared by the owners of all units.

14. "Residential condominium" means a condominium for residential purposes.

15. "Subdivision Map Act" means Division 2 of Title 7 of the California Government Code, commencing with Section 66410 et seq. and as may hereafter be amended.

16. "Subdivision ordinances" means those ordinances contained in Title 16 of this code and as may hereafter be amended.

17. "Unit" means the element of a residential condominium project which is not owned in common with the owners of other condominiums in the project or is an apartment in a community apartment project to which an owner of an undivided interest in common in a community apartment project has a right of exclusive occupancy.

D. General Provisions. The following provisions shall apply to all condominium developments:

1. A condominium development may be located in any zoning district upon the granting of a use permit in accordance with the provisions of this section and Section 17.50.020 of this title.

2. A condominium development shall include only uses which are either permitted or conditional uses in the zoning district in which the development is located.

3. In residential condominium developments, the density may not exceed the density prescribed for the zoning district in which the development is located.

E. Use Permit Application Required. The developer of a new condominium project or a developer who desires to convert an existing multiple-family rental housing or a nonresidential structure to a residential condominium shall first submit an application for a use permit to the planning department. The application shall include, but not be limited to, the following:

1. Written authorization from all owners of parcels within the boundaries of the development;

2. A complete legal description of the property, including a delineation of the project boundary and a tabulation of gross and net land area, including a title report. The project boundary map should show

the existing topography of the site and the location of all existing easements, structures and other improvements. Significant surface features within the development area, including but not limited to natural ground cover, trees more than six inches in diameter (trunk diameter, variety and size), water courses, rock outcroppings and soil cover, should be included in the description. In addition, the description should include the proposed circulation system, showing the location of all streets (public and private), pedestrian pathways and other circulation facilities;

3. A detailed grading plan, including a transverse and longitudinal section showing natural and proposed grades, including all cut-and-fill slopes and the location of retaining walls, and methods of erosion control;

4. Proposed land uses, including building locations and types, floor plans, number of units, building elevations (all sides), open space, recreation area, off-street parking, loading and service areas, a conceptual landscaping plan for the project as a whole, a lighting plan, the approximate number and characteristics of the population anticipated and the relationship of the project to surrounding land uses;

5. A data table showing how the project compares to the minimum standard for the residential district in which it would be located;

6. Typical detailed sections of the types of wall, floor and ceiling construction that would be used in both common and interior partition walls within the condominium project, including either published data from a recognized and approved testing laboratory or a statement from a licensed acoustical engineer or the city building official as to sound transmission control ("STC," as defined in Chapter 35 of the Uniform Building Code);

7. A statement of special or unusual seismic, soil or geologic conditions within the development area, if applicable;

8. A development schedule indicating anticipated dates of construction, including any proposed project phasing;

9. Any additional information as required by the planning director or planning commission.

F. Modification of Requirements. Recognizing that the conversion of existing multiple-family residential structures to condominium usage presents unique problems with respect to the requirements of this section, the planning commission is empowered to vary any and all requirements contained herein, provided, that said modifications are consistent with the public health, safety and welfare and will not contravene the purposes and intent of this section. Project characteristics of critical importance in making this determination are the structure(s) and the degree to which the proposal varies from the required standards for the following: parking, private open space, storage space, sound transmission characteristics, fire protection and development criteria.

The planning commission is also empowered to impose conditions on any approval which would require that specified changes designed to bring a structure into compliance with the condominium development standards contained herein be made to the structure proposed for conversion.

Requirement for subdivision application for construction or conversion of a condominium project shall be accompanied by a tentative map application pursuant to Title 16 of this code, unless waived pursuant to Government Code Section 66428.

G. Development Standards. The following development standards shall apply to all condominium development unless otherwise modified by the planning commission:

1. Parking: All condominium developments shall conform to the parking requirements of this title.

2. Open space: Each unit within the project shall have an appurtenant private patio, deck, balcony, atrium or solarium with a minimum area of one hundred ~~fifty~~ square feet. Such space shall be designed for the sole enjoyment of the unit owner, shall have at least two weatherproofed electrical convenience

outlets and shall have a shape and size that would allow for optimum usable space. Such space shall be at the same level as and immediately accessible from, a room within the unit. The planning commission may allow variations from the above dimensional standards where it can be shown that the required private open space meets the intent and purpose of this section.

3. Storage space: In addition to guest, linen, food pantry and clothes closets customarily provided, each unit within the project shall have at least two hundred cubic feet of enclosed, weatherproofed and lockable private storage space. The location and design of such space shall be approved by the planning commission and shall not be divided into two or more locations. If such space is located within a common area within the project, the association shall be responsible for the care and maintenance of the exterior surface of the space in order to assure that the surface is maintained in a manner compatible with the architectural treatment of the project.

4. Sound transmission: All permanent mechanical equipment such as motors, compressors, pumps and compactors which is determined by the building official to be a source of structural vibration or structure-borne noise shall be shock mounted with inertia blocks or bases and/or vibration isolators in a manner approved by the building official. Common walls and floors between units shall comply with the city's ordinances governing noise resistance for newly constructed common walls and floors.

5. Fire prevention: Every dwelling unit shall be provided with a smoke detector conforming to Uniform Building Code standards. The detector shall be mounted on the ceiling or wall at a point centrally located in the corridor or area giving access to rooms used for sleeping purposes. Where sleeping rooms are on an upper level, the detector shall be placed at the center of the ceiling directly above the stairway. All detectors shall be located within twelve inches of the ceiling. When activated, the detector shall provide an alarm in the dwelling unit. Draft stops shall be placed in all attics that are determined to be accessible by the building official.

6. Condition of equipment and appliances: Regarding conversion, the developer shall provide a one-year warranty to the buyer of each unit at the close of escrow on any dishwashers, garbage disposals, stoves, refrigerators, hot water tanks and air conditioners that are provided. At such time as the homeowners' association takes over management of the development, the developer shall provide a one-year warranty to the association that any pool and pool equipment and any appliances and mechanical equipment to be owned in common by the association are in operable working condition.

7. Condition of paved areas: Regarding conversion, the developer will make any repairs needed so that the public works department can determine that any paved areas are in satisfactory condition.

8. Condominium development criteria: The following criteria shall be considered in reviewing the overall design and site layout of the project:

    a. The project should have a comprehensive and integrated design, providing its own open space, off-street parking and amenities for contemporary living. Insofar as the scale of the project allows, open space, walkways and other areas for people should be separated from parking areas, driveways and areas for automobiles.

    b. Architectural unity and harmony should be achieved both within the project and between the project and the surrounding community so that it does not constitute an adverse disruption to the established fabric of the community.

    c. The layout of structures and other facilities should minimize street, driveway, curb cut, utility and other public or quasi-public improvements. Additionally, structures should be designed to minimize, within the context of accepted architectural practice, the consumption of natural resources, either directly or indirectly, e.g., gas, water and electricity.

9. Other facilities: Consideration shall be given by the planning commission to the inclusion of the following facilities in the project:

a. A laundry area shall be provided in each unit or if common laundry facilities are provided, then such facilities shall be subject to the review of the planning commission as to their adequacy.

b. In addition to any other parking requirements, at least one space per five units shall be provided for the enclosed storage of recreational vehicles and boats in new construction only. If the requirement cannot be met, a provision shall be placed in the covenants, conditions and restrictions (CC&Rs) precluding the parking of recreational vehicles and boats on the site. Such parking area shall be enclosed.

H. Approval of Tentative and Final Map. Pursuant to Section 66427 of the Government Code, the city council or planning commission shall not refuse approval of the tentative or final map of a condominium conversion project because of design or location of the buildings shown on the map or plan which are in conformance with the provisions of this section, or because of the manner in which the airspace is to be divided in conveying units within the condominium.

I. Approval of Declaration of Covenants, Conditions and Restrictions (CC&Rs) and Project Elements. To achieve the purpose of this section, the planning commission shall require that a declaration of covenants, conditions and restrictions (CC&Rs) and project elements relating to the management of the common area and facilities be approved by the planning department and city attorney prior to the approval of the final map. In addition to such covenants, conditions and restrictions that may be required by the Department of Real Estate of the State of California pursuant to Section 1350, et seq. of the California Civil Code or other state laws or policies, such declaration shall be subject to recording and shall provide for the following, none of which, when approved by the planning department or city attorney, shall be amended, modified or changed without first obtaining the written consent of the planning department and city attorney and all of which shall contain a statement to that effect.

1. Conveyance of private open space: The surface area and appurtenant airspace of private open-space areas, including but not limited to the private patio, deck, balcony, solarium or atrium required by this section, and any integral portion of that space that may exceed the minimum area requirements, shall be described and conveyed in the grant deed as an integral part of the unit.

2. Conveyance of private storage areas: The surface and appurtenant airspace of private storage spaces required by this section shall be described and conveyed in the deed as an integral part of the unit.

3. Assignment of off-street parking: Required off- street parking spaces shall be permanently, irrevocably and specifically assigned to particular units within the project on the basis of the parking spaces required per unit pursuant to Section 17.44.030 of this chapter. To the maximum practicable extent, the spaces assigned to each unit shall be contiguous. In no case shall the private storage area of one unit overhang or take its access from the required off-street parking space of another unit. All studio and one-bedroom units shall be assigned one parking space and may rent additional spaces from the association as available. All occupants of a unit with two or more bedrooms may rent one parking space back to the association. All parking spaces, except those specifically designated for parking recreational vehicles, shall be used solely for the purpose of parking motor vehicles and shall not be used for trailers, unmounted campers or similar recreational vehicles.

4. Right of public entry to common area: Officers, agents and employees of the city, the county, the state and the Government of the United States and any department, bureau or agency thereof, shall have the right of immediate access to all common areas of the project at all times for the purpose of preserving the public health, safety and welfare, except in those instances where a common area is accessible only through a private unit.

5. Maintenance of common areas: In order to protect the public health, safety and welfare, provision shall be made for annual assessments for capital improvements. The amount of the regular annual assessment and the procedure for its change shall be specified. The manner in which special assessments may be levied for the construction, reconstruction, repair or replacement of a capital improvement upon the common area shall be specified. Both annual and special assessments may be

collected on a monthly basis. The remedies which the association may bring for the nonpayment of assessments shall be specified and may include penalties for late payment.

6. Utility easements over private streets and other areas: If the condominium project contains private streets, paths or roadways, provision shall be made for public utility easements over the entire private street, path or roadway network. The planning commission may also require public utility easements adjacent to public streets or over other portions of the project to accommodate fire hydrants, water meters, street furniture, storm drainage, sanitary sewers, water and gas mains, electrical lines and similar public improvements and utilities. The planning commission may also require access routes necessary to assure that fire-fighting equipment can reach and operate efficiently in all areas of the project.

7. Access for construction, maintenance or repairs: Each owner and the association shall have an easement for entry upon any privately owned unit, where necessary, in connection with construction, maintenance or repair for the benefit of the common area or the owners of the units in common.

8. Contract termination right: Unless otherwise prohibited by law or any local, state or federal regulation, the association shall have the right to terminate the contract of any person or organization engaged by the developer to perform management or maintenance duties three months after the association assumes control of the project, or at that time to renegotiate any such contracts.

9. Provision for equity in sales: The conditions, covenants and restrictions (CC&Rs) shall contain a provision that the sale of any unit shall not be prevented because of the age, sex or family composition of any potential buyer.

J. Additional Requirements. In addition to the requirements for a major subdivision, the application for the subdivision of existing multiple-family rental housing as a condominium conversion shall be subject to the additional requirements set forth in subsections K through O of this section.

K. Code Inspection, Compliance and Disclosure. All units to be under separate ownership or lease after conversion shall be inspected by the city prior to city approval of the final map. Separate ownership shall mean a condominium unit where the entire fee is in one entity, whether individually, in joint tenancy or as tenants in common. All units shall be brought into compliance with the Uniform Building Code effective at the time the units were first constructed. A form containing pertinent information regarding the project, including age and physical and spatial amenities within and in proximity to the condominium complex, shall be filed with and approved by the planning director and shall be provided to prospective condominium buyers.

L. Utilities. All units to be subdivided shall be provided with separate gas and electric meters and provision shall be made for individual shutoff valves. All units shall also be provided with separate water meters and shutoff valves or with separate shutoff valves for all fixtures in each unit. If it is not possible to have separate water meters, provision shall be made for the equitable sharing of water costs.

M. Public Report Application. A copy of the proposed application submitted by the applicant to the Department of Real Estate of the state for a subdivision public report on the current forms required by the Department of Real Estate shall be submitted to the city planning department, together with the submittal of the tentative map. Such application need not contain exhibits regarding the availability of utility services or the organizational documents of the project. However, the application for the final subdivision map shall include a full and complete copy of all information submitted to the department of real estate by the applicant.

N. Notification to Tenants.

1. Developers of condominium conversions shall submit to the planning department the following:

   a. With the use permit application, a list of the names and addresses of the residents of each unit in the conversion project, certified as to accuracy by the developer as of the date of the application. The developer shall immediately notify the city of any change in the names or addresses on the list as they occur;

b. Prior to filing a tentative subdivision map, certification that all notices required to be given to and received prior to the filing of such map have been given in the manner and within the time limits specified or referenced in Government Code Section 66427.1 and all other notification requirements of the Subdivision Map Act as amended from time to time.

c. Prior to approval of a final subdivision map, certification that all notices specified or referenced in Government Code Section 66427.1 in connection with approval of such map have been given to the persons in the manner and within the time limits specified or referenced therein.

2. The city shall provide notification of the public hearing before the planning commission on the use permit and subdivision applications to the tenants of the units in the conversion project pursuant to Section 17.50.090 of this title, as well as to all other persons therein prescribed.

3. A copy of the written staff report shall be delivered to the subdivider and to each tenant of the subject property at least three days prior to any hearing on the tentative map.

O. Tenant's Right To Purchase.

1. As provided in Government Code Section 66459, each tenant shall receive a nontransferable right of first refusal to purchase the unit.

2. The right of first refusal shall extend for 90 days from the date of issuance of the subdivision public report or the beginning of sales, whichever is later.

P. Tenant Relocation Assistance.

1. Relocation and Assistance Plan.

a. The subdivider shall submit a tenant relocation and assistance plan with the Use Permit and Tentative Map or Tentative Parcel Map application for the condominium conversion.

b. The plan shall include the information consistent with the State of California Relocation Assistance Act (Government Code Sections 7260 – 7277) and the Federal Uniform Relocation Assistance and Real Property Policies for Federal and Federally Assisted Programs Act (United States Code Title 42, Chapter 61) as well as those additional provisions in Subparagraphs 2 to 5 below.

2. Rent Freeze.

a. Upon notification of intent to convert, the then-current rents shall remain in effect for up to 12 months or until the conversion process has been completed or terminated.

b. If approval of the Tentative Map or Tentative Parcel Map is still pending at the end of 12 months, the freeze shall apply for another 12 months, allowing for an increase based on the rental component of the Consumer Price Index.

c. During such period as any rent freeze is in effect, 30-day eviction notices shall be issued only where a clear breach of the rental agreement exists.

3. Moving Allowance.

a. Persons who are tenants at the time of the initial notice to convert the project shall be offered a minimum moving allowance of two times the monthly rent in effect at the time the tenant elects to move.

b. Such allowance shall be payable only after City approval of the Use Permit and Tentative Map or Tentative Parcel Map. Payment to the tenant shall be within 14 days after the tenant vacates the premises.

4. Extended Leases. Tenants who have been displaced from previous conversions of apartments to condominiums in Scotts Valley during the last five years shall be offered a three-year lease from the date of the initial offering of units for sale to the public.

5. Other Tenant Situations. Any non-purchasing tenant who is disabled or has minor children in school or is age 62 or older, living in any unit prior to the time a completed Use Permit and Tentative Map or Tentative Parcel Map application has been accepted as complete by the City shall be given at least six months in which to find suitable replacement housing.

QO. Pest Infestation and Dry Rot Report. The developer shall, prior to approval of the final map, submit to the planning department a copy of the structural pest infestation and dry rot report for all buildings within the proposed project. This report shall be made available to all prospective buyers by the developer.

Any and all actual structural damage shall be repaired or financial provision made for appropriate repair within a specific time period, prior to the approval of final map or properly bonded under the Subdivision Map Act.

RP. Effect On Housing Stock. In reviewing requests for conversion of existing apartment buildings to condominiums, the city shall consider the following:

1. Whether the amount and impact of the displacement of tenants would be detrimental to the health, safety or general welfare of the community;
2. The role that the apartment structure plays in the existing rental housing market;
3. The effect of the conversion on the need and demand for low-cost housing (both rental and ownership housing).

In no case shall apartment conversions be allowed if the rental vacancy rate is below four percent, as determined by the planning department.

SQ. Advertising. The developer shall make no advertising use of any city approval of use, subdivision or occupancy for the project.

TR. Required Findings. Pursuant to Government Code Section 66427.1 as it presently exists or may hereafter be amended, approval of the final map of a conversion of residential real property to a condominium project shall be withheld unless the city council makes all findings required by that section and further finds that:

1. The proposed conversion will not have an adverse effect on the diversity of housing types available in the city.
2. The proposed conversion will not displace a significant percentage of tenants and deplete low-income and moderate- income rental units from the city's housing stock at a time when no equivalent condominium housing is readily available in the city.
3. The proposed conversion would not be detrimental to the health, safety or general welfare of the community and is consistent with the city's General Plan, particularly the housing element.
4. The overall design and construction of the development meets the standards outlined herein.

US. Appeals. Any person who is dissatisfied with any decision made by the planning commission may appeal the same in accordance with the procedures established in Section 17.50.060 of this title.

17.44.190 Racially Concentrated Areas of Affluence.

A. **Purpose**. This section implements General Plan 6th cycle Housing Element programs to affirmatively further fair housing by taking actions to overcome patterns of segregation and increase access to opportunities for all residents.

B. **Applicability**. The provisions in this section apply to racially concentrated areas of affluence (RCAA) as identified in 6th cycle Housing Element Figure E-4a.

C. **Missing Middle Conversions**. Within RCAA, an existing single-family dwelling may be converted into a duplex or a triplex subject to the following:

1. The lot must conform to zoning district minimum lot area standard.
2. The lot may contain only one existing dwelling unit.
3. The conversion may only use existing living area in the primary dwelling. Conversion of accessory structures is not permitted.
4. A minimum lot area of 5,000 square feet is required per unit.
5 A triplex is permitted only on lots with an average slope of less than 25 percent.
6. Conversions are not permitted on lot with an existing accessory dwelling unit.
7. The conversion may not be combined with an SB 9 residential development project or urban lot split (Chapters 17.55 and 16.78).
8. Off-street parking spaces must be provided as follows:
    a. One space for a studio or one-bedroom unit.
    b. Two spaces for a unit with two bedrooms or more.
9. Parking spaces may not be in the required front yard. The conversion may not add or enlarge an existing driveway curb cut.
10. Dwelling units must be connected to the municipal water and sewer system.

D. **SB 9 Triplexes**. An existing single-family home in RCAA zoned R-1 may be converted into an SB9 triplex if one or more new units on the site are deed restricted affordable. See Section 17.55.080 (SB 9 triplexes).

E. **Condominiums and Townhomes**. Within RCAA, townhouses and condominiums in the R-1 zoning district are a permitted use. See Section 17.14.020 (Permitted uses).

Chapter 17.55 – SB 9 Residential Development

17.55.010 Purpose and intent.

This chapter contains requirements for SB 9 residential developments pursuant to Government Code Section 65852.21. These requirements are necessary to preserve the public health, safety and general welfare, and to promote orderly growth and development. In cases where a requirement in this chapter directly conflicts with Government Code Section 65852.21, the Government Code governs.

17.55.020 Definitions.

A. SB 9 Residential Development. A residential project on a parcel within a single- family residential zoning district proposed pursuant to Government Code Section 65852.21

B. Urban Lot Split. The subdivision of an existing parcel into two parcels within a single- family residential zoning district proposed pursuant to Government Code Section 66411.7 and Municipal Code Chapter 16.78 (Urban Lot Splits).

17.55.030 Permitting process.

A. Building Permit. An SB 9 residential development requires city approval of a building permit.

B. Ministerial Approval. The city shall ministerially approve a building permit for an SB 9 residential development if the application complies with all requirements of this chapter. No public hearing or discretionary review is required.

C. Urban Lot Splits. An SB 9 residential development that includes an urban lot split requires city approval of a parcel map pursuant to Municipal Code Chapter 16.78 (Urban Lot Splits).

D. Eligibility. The city shall accept an application for an SB 9 residential development only if the project complies with the following requirements.

1. Zoning District. The development is located in the R-1 Single-Family Residential, R-R Residential-Rural, or R-MT Residential-Mountain zoning district.

2. Compliance with Chapter. The development complies with all applicable requirements of this chapter.

3. Environmental Resources and Hazards. The development satisfies the requirements of Government Code subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4, which prohibits development on sites subject to specified environmental resources and hazards.

4. Affordable and Rental Housing. The development will not require demolition or alteration of any of the types of housing identified in Government Code paragraph (3) of subdivision (a) of Section 65852.21.

5. Historic Resources. The development is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Public Resources Code Section 5020.1.

E. Time Period for City Action.

1. The City shall approve or deny the building permit application within 60 days from the date the City receives a completed application. If the applicant requests a delay in writing, the 60-day time period shall be tolled for the period of the delay.

2. If the City does not approve or deny the completed application within 60 days, the application shall be deemed approved.

~~E~~F. Basis for Denial.

1. The city shall deny an application for an SB 9 residential development if either of the following is found:

a. The development fails to comply with any requirement in this chapter. Any such requirement that is the basis for denial shall be specified by the city in writing.

b. The city's building official makes a written finding, based upon a preponderance of the evidence, that the proposed development would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Government Code Section 65589.5, upon public health and safety ~~or the physical environment and~~ for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

2. The city shall not deny an SB 9 residential development solely because it conflicts with the city's density limitations for the applicable zoning district.

G. Comments for Denied Application.

1. If the City denies an application for an SB 9 residential development, the City shall provide written comments to the applicant that list the items that are defective or deficient and describe how the application can be remedied by the applicant.

2. Written comments required by Paragraph 1 above shall be provided to the applicant within the time period described in Subsection B (Time Period for City Action) of this section.

17.55.040 General requirements.

A. Number of Primary Dwelling Units.

1. A maximum of two primary dwelling units are allowed on a parcel.

2. If a parcel is subdivided pursuant to Municipal Code Chapter 16.78 (Urban Lot Splits), a maximum of two primary dwelling units are allowed on each newly created parcel. Up to four units are allowed on the two parcels combined.

B. Accessory Dwelling Units.

1. Projects with Urban Lot Split. The following accessory dwelling unit (ADU) rules apply to a parcel created through an urban lot split as provided in Chapter 16.78 (Urban Lot Splits)

a. If the parcel contains one primary dwelling unit, one ADU or Junior ADU is also allowed on the parcel.

b. If the parcel contains two primary dwelling units, an ADU or Junior ADU is not allowed on the parcel.

2. Projects Without Urban Lot Split. Where a parcel has not been subdivided as provided in Chapter 16.78 (Urban Lot Split), one ADU and/or JADU is allowed on the parcel in addition to the two primary dwelling units.

C. Utility Connections.

1. Each primary dwelling unit shall be served by a separate utility connection for water, sewer, gas, and electrical services.

2. The city shall condition approval of a dwelling unit on the dedication of any easements deemed necessary to provide public services to the unit and access to the public right-of-way.

D. Residential Uses Only.

1. The primary use of a dwelling unit must be residential.

2. Home occupations consistent with Section 17.50.040 (Home Occupations) and other accessory uses are permitted in a dwelling unit.

E. Vacation Rentals. A dwelling unit may not be rented for a term of less than thirty-one days.

F. Existing Nonconformities. Establishing a dwelling unit shall not require the correction of an existing legal nonconforming zoning condition on the property.

G. Public Health and Safety. An SB 9 residential development shall comply with the City of Scotts Valley SB 9 Public Health and Safety and Environmental Resource Protection Standards, which are adopted by city council resolution and may be amended from time to time.

H. Municipal Code Compliance.

1. An SB 9 development shall comply with all applicable provisions of the Municipal Code unless otherwise specified in this chapter.

2. In case of conflict between this chapter and other provisions in the Municipal Code, this chapter governs.

3. The city shall not impose any objective Municipal Code standard that would physically preclude the construction of two units on either of the resulting parcels or that would result in a unit size of less than eight hundred square feet. The community development director shall grant an exception to the applicable standard to the minimum extent necessary to comply with this section.

(Ord. No. 16.141, § 1, 5-15-2024)

17.55.050 Development standards.

A. Building Height.

1. For an SB 9 residential development that complies with the minimum yard requirements of the applicable zoning district and combining district, the maximum building height is twenty-five feet.

2. For an SB 9 residential development that does not comply with the minimum yard requirements of the applicable zoning district and combining district, the maximum building height is sixteen feet.

B. Unit Size.

1. For an SB 9 residential development that complies with the minimum yard requirements of the applicable zoning district and combining district, the maximum unit size is one thousand two hundred fifty square feet per unit.

2. For an SB 9 residential development that does not comply with the minimum yard requirements of the applicable zoning district and combining district, the maximum unit size is eight hundred square feet per unit.

C. Yards.

1. Minimum yards for an SB 9 residential development are as follows:

a. Front: As required in the applicable zoning district

b. Side: Four feet, except that no yard is required for a new side lot line shared between two parcels created through an urban lot split.

c. Rear: Four feet.

2. As provided in A and B above, an SB 9 residential development that complies with the minimum yard requirement for a single-family dwelling in the applicable zoning district is eligible for greater building height and unit size than is allowed for SB9 residential development that does not comply with the zoning district minimum yard requirement.

3. Notwithstanding Paragraph 1 above, no setback is required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

D. Separation Between Dwelling Units.

1. No minimum separation is required between dwelling units on a parcel if the structures meet building code safety standards.

2. Dwelling units may be connected if the structures meet building code safety standards and are sufficient to allow a separate conveyance.

3. For purposes of this chapter, "sufficient for separate conveyance" means that each attached or adjacent dwelling unit is constructed in a manner adequate to allow for the separate sale of each unit in a common interest development as defined in Civil Code Section 1351 (including a residential condominium, planned development, stock cooperative, or community apartment project), or into any other ownership type in which the dwelling units may be sold individually.

E. Parking.

1. Required Parking. A minimum of one off-street parking space is required per dwelling unit except as provided in Paragraph 2 below.

2. Exceptions to Required Parking. No off-street parking is required in the following cases:

a. The parcel is located within one-half mile walking distance of either a high- quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code.

b. There is a car share vehicle located within one block of the parcel. A car share vehicle means a motor vehicle that is operated as part of a regional fleet by a public or private car sharing company or organization that meet all the following criteria:

(1) Provides hourly or daily service;

(2) Vehicle reservations are processed and paid for using an on-line system;

(3) Vehicles can be accessed where they are parked without having to go to a different physical location to execute a contract and/or pick up the keys; and

(4) Fleet has more than five cars in Scotts Valley and more than twenty cars in Santa Cruz County.

3. Location on Lot. As required by Section 17.44.030(J), driveways and parking spaces shall not proportionately occupy more than three hundred square feet for each ten feet of required front yard setback.

4. Garages. Required parking spaces may be uncovered for an SB 9 project with two or fewer new units, including accessory dwelling units. Required parking shall be in a garage for the third or fourth unit in an SB 9 project.

~~**5. Landscape Buffer.**~~

~~**a. Where a parking area with three or more spaces is located across a street or alley from or immediately adjacent to a residential district, a landscape strip not less than five feet in depth shall be planted and permanently maintained along the abutting property line of the parking area.**~~

~~**b. The landscape strip shall contain a row of landscaping with a minimum planting height of thirty-six inches.**~~

~~**c. Landscaping shall comply with intersection and driveway vision clearance requirements in Section 17.46.110.E.**~~

~~**F. Driveways.**~~

~~**1. Vacant Lots.**~~

a. For an SB 9 development on a vacant lot, no more than one driveway curb cut is allowed with a maximum width of twenty feet. Units on two lots created through an urban lot split must share one driveway with access easements recorded as necessary.

b. The community development director may grant an exception to this requirement when needed for emergency vehicle access.

2. Non-Vacant Lots.

a. For an SB 9 project on a lot with an existing home, two driveway curb cuts are allowed only if the existing site layout or other physical constraints physically precludes shared use of a single driveway curb cut.

b. The maximum width of a second curb cut where allowed is twelve feet.

17.55.060 Objective design standards.

A. Multi-Unit Residential Design Standards.

1. An SB 9 residential development that creates two or more new primary dwelling units shall comply with the Multi-Unit Residential Design Standards, which are adopted by City Council resolution and may be amended from time to time.

2. If one or more new primary dwelling units are added to a lot with an existing SB 9 residential development, the new dwelling unit(s) shall comply with the Multi- Unit Residential Design Standards.

B. "Faces" Defined. As used in this section, the term "faces" means:

1. The building feature is parallel or substantially parallel to the street or property line; and

2. There is no other building located between the building feature and the street or property line.

C. Single Unit Projects. If an SB 9 residential development creates one new primary dwelling on a lot with an existing dwelling that was not previously established through an SB 9 residential development, the following design standards apply.

1. Garage Frontage. Where a dwelling with an internal or attached garage is located on the front half of the lot and the garage door faces a street, the garage frontage including the door width shall not exceed fifty percent of the width of the front facade of the building.

2. Massing. A building wall that faces a street or an adjacent residential use shall not run in a continuous plane of more than twenty-five feet without one or more of the following treatments:

a. A change in wall plane with a minimum of four feet in depth for the facade.

b. A front porch or other covered entry feature with a minimum depth of three feet and width of six feet providing access to the dwelling's primary entrance.

c. An upper story stepback of at least six feet in depth for at least eighty percent of the street facing building wall.

d. A protruding window (such as a bay window) of at least two feet in depth.

3. Articulation. A building wall that faces a street or an adjacent residential use shall not run in a continuous plane of more than fifteen feet without one of the following treatments included on the facade at every building story:

a. Window.

b. Entry door.

c. Two or more visibly contrasting primary materials and/or colors.

d. Wall mounted trellises for climbing plants.

4. Entries. Primary dwelling entrances must include one of the following:

   a. A recess in the building wall with a minimum width of four feet and depth of three feet.

   b. A covered porch, providing access to the entry, with a minimum dimension of five feet by five feet.

5. Roof Forms. Rooflines twenty-five feet or longer that face a street or an adjacent residential use shall be articulated with recessed or projecting gabled roof elements, roof dormers, changes in roof heights, changes in direction or pitch of roof slopes, and other similar methods.

6. Windows. Windows that face a street or an adjacent residential use shall comply with one of the following:

   a. All windows shall feature built up profile trim/framing. Trim/framing must project at least two inches from the building wall with material that visually contrasts from the building wall.

   b. Window glass shall be inset a minimum of two inches from the exterior wall or frame surface to add relief to the wall surface.

7. Exterior Materials. The primary wall finish material shall be wood, wood shingle, stone, brick, stucco, fiber cement or other cementitious material, or stone. T1-11 siding and all grooved or patterned wood panel or composite wood panel siding are prohibited.

8. Private Open Space. Each dwelling unit shall have at least one hundred square feet of private open space. Required private open space shall comply with the following standards:

   a. The open space shall be directly accessible from the dwelling unit.

   b. Balconies shall have a minimum dimension of six feet in depth and width and a minimum floor area of fifty square feet.

   c. Patios shall have a minimum dimension of eight feet in depth and width and a minimum floor area of sixty-four square feet.

   d. Open space may be covered but not fully enclosed. If covered, the minimum floor to ceiling height is eight and one-half feet.

   e. Ground level private open space shall be screened or buffered from adjacent private or common open space and dwellings by landscaping, fencing, walls, trellises, or other screening elements.

B. Accessory Dwelling Units. A new accessory dwelling unit (ADU) included in an SB 9 residential development shall comply with the same design requirements as apply to an ADU that is not established as part of an SB 9 project.

C. Neighbor Privacy.

1. If a building wall faces an adjacent residential use and does not comply with the minimum interior side or rear yard requirements of the applicable zoning district or combining district, windows on the wall must be:

   a. Five-foot minimum sill height above the finished floor;

   b. Clerestory; or

   c. Opaque/frosted glass.

2. Second-story exterior decks and balconies may not face an interior side or rear yard that abuts an adjacent residential use.

3. No portion of a rooftop deck may be closer than twenty-five feet from an interior side or rear yard that abuts an adjacent residential use.

17.55.070 Deed restrictions.

A. Before obtaining a building permit for an SB 9 residential development, the property owner shall file with the county recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the current owner. The deed restriction shall state that:

1. The maximum size of the dwelling unit is limited to:

   a. One thousand two hundred fifty square feet for development that complies with the minimum yard requirements of the applicable zoning district and combining district; and

   b. Eight hundred square feet for development that does not comply with the minimum yard requirements of the applicable zoning district and combining district.

2. The dwelling unit may not be rented for a term of less than thirty-one days.

B. The above declarations are binding upon any successor in ownership of the property. Lack of compliance shall be cause for code enforcement.

C. The deed restriction shall lapse upon removal of all dwelling units established under this chapter.

17.55.080 SB 9 triplexes.

A. **When Allowed**. Notwithstanding any other provision in this chapter, an existing single-family dwelling may be converted into an SB 9 development with three units (SB 9 triplex) if:

1. The existing single-family dwelling is on a parcel in the R-1 zoning district and in racially concentrated area of affluence (see Section 17.44.190); and

2. One or more of the SB9 triplex units are deed restricted affordable to households earning no more than 80% of the County's Area Median Income.

B. **Standards**. An SB 9 triplex shall comply with the following standards:

1. The floor area of the third unit shall not exceed 800 square feet.

2. The third unit must comply with minimum yard requirements for single-family dwellings in the R-1 zoning district.

3. The third unit is allowed only as a modification to an existing single-family dwelling. The third unit may not be created as a structure detached from the existing single-family dwelling.

4. The third unit may be created by adding new floor area to the existing single-family dwelling.

5. An SB 9 triplex is not allowed on a lot created through an SB 9 urban lot split.

EXHIBIT C:

PROPOSED AMNDMENTS TO SB 9 PUBLIC HEALTH AND SAFETY AND ENVIRONMENTAL RESOURCE PROTECTION STANDARDS

The following standards apply to SB 9 residential development and urban lot split as defined in Municipal Code Sections 17.55.020 and 16.78.020. The term "SB 9 project" as used below refers to a proposed project with an SB 9 residential development, an urban lot split, or both. Other standards and City requirements may also apply to an SB 9 project based on site-specific conditions and proposed project features.

A. Government Code Exclusions

1. **Excluded Sites.** An SB 9 project shall not be located on a site with any of the following environmental resources and hazards as specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) Government Code Section 65913.4 unless required mitigation, if allowed, is incorporated into the proposed project:
    a. Prime farmland or farmland of statewide importance
    b. Wetlands
    c. Very high fire hazard severity zone
    d. Hazardous waste site
    e. Earthquake fault zone
    f. 100-year flood zone
    g. Regulatory floodway
    h. Adopted natural community conservation plan
    i. Habitat for protected species
    j. Conservation easement

B. Fire District Requirements

An SB 9 project must comply with 1) the California Fire Code with modifications and amendments as adopted by the Scotts Valley Fire Protection District ("Fire District"); and 2) the Santa Cruz County Fire Prevention Officers Association Fire Prevention Standards as adopted by the Fire District. Before the City approves a building permit or parcel map for an SB 9 project, the applicant must submit documentation from the Fire District that the project complies with all applicable requirements. Fire District requirements that may affect the feasibility of an SB 9 project include the following:

1. **Fire Hydrants**: The number, spacing, and distance from the property. Pursuant to Municipal Code Section 17.55.040.C (Utility Connections), an SB 9 project must be connected to and served by a municipal water service provider (i.e., the Scotts Valley Water District or San Lorenzo Valley Water District). Private wells and tanks used to provide a water supply for fire protection are not allowed.

2. **Fire Flow**: The flow rate and duration of a water supply that serves the project.
3. **Fire Sprinklers**: An automatic fire sprinkler system for each dwelling unit.
4. **Access Road Dimensions**: Minimum width, vertical clearance, and turning radius of roads providing fire apparatus access to the property.
5. **Dead-End Access Roads**: Maximum length of new dead-end roads/driveways serving the property.

C. City Fire Safety Standards

An SB 9 project must comply with the following City fire safety standards. These standards apply to an SB 9 project in addition to Fire District requirements. If Fire District requirements differ from City standards, the City will approve an SB 9 project only if it conforms with City requirements.

1. **Emergency Vehicle Access – Roadway Width.** An ~~SB 9 project~~ urban lot split shall be served by roadways providing emergency vehicle access with a minimum 20-foot width. If an emergency vehicle must utilize a road less than 20 feet wide at any point to access the property, an SB 9 project is not allowed unless the applicant widens the roadway to comply with this standard.
2. **Dead-end Street Length – Urban Lot Splits.** An ~~SB9~~ urban lot split project is prohibited on a dead-end street where the distance from the start of the street to the lot exceeds the length specified in Municipal Code Section 16.44.020.A. For example, an ~~SB 9 project~~urban lot split is not allowed on a lot on a dead-end street in the Low Residential General Plan Land Use Category if the lot is more than 700 feet from the start of that dead-end street. If the lot on the dead-end street is less than 700 feet from the start of the street, a proposed lot split would be allowed if it complies with all other applicable standards.
3. **Emergency Vehicle Access – Free of Obstructions.** Required emergency vehicle access shall be maintained free of structures (e.g., locked gates) obstructing emergency vehicle access to development.

D. Geologic Hazard Standards

1. **Hillside Residential Combining District.** The following requirements apply to an SB 9 project within the HR Hillside Residential Combining District (Municipal Code Chapter 17.40).
    a. The applicant shall submit a site development plan and preliminary geologic and soils investigation report as required by Section 17.40.040.
    b. On a building site created through an urban lot split, the following apply:
        (1) The average slope of the lot shall not exceed 40 percent and the average slope of the proposed building envelope shall not exceed 25 percent.
        (2) A private access roadway to or on the site shall not exceed 150 feet in length or a grade of 15 percent along the length of the pavement.
    c. On an existing lot of record, the following apply:

(1) A structure or driveway shall not be located on a building pad with an average slope of 40 percent or more.

(2) A driveway to or on a building site shall not exceed a grade of 15 percent along the length of the pavement.

d. On all sites, the following apply:

(1) Portions of a site exceeding 30 percent slope shall not be graded.

(2) Visible cut or fill slopes shall not exceed three horizontal to one vertical (3:1)

(3) For units greater than 16 feet in height and/or with a floor area greater than 800 square feet, 1 foot shall be added to each side yard for each 1 foot of height above which the top plate line exceeds 15 feet in height.

(4) The clearance between ground floor levels and finish grade shall not exceed 4 feet. Five feet is permitted if a landscape and irrigation plan which will screen the subfloor area is submitted with the application for a building permit and landscaping is installed prior to final inspection of the structure.

2. **Landslide Hazard Areas.** The following requirements apply to an SB 9 project in an area with known landslide deposits as shown in General Plan Figure SN-5 Landslide Deposits or on a site with known or suspected landslides as mapped by the United State Geological Survey.

a. The applicant shall retain the services of a qualified geotechnical engineer or engineering geologist to prepare a design-level geotechnical investigation. The investigation shall identify project-specific foundation and structural design features needed to mitigate risks associated with landslide hazards.

b. The project shall be designed and constructed in accordance with the site preparation, foundation design, structural design, drainage, ground improvement performance testing, pavement design, and other recommendations in the design-level geotechnical investigation unless modified during construction, based on field conditions, by a qualified registered geotechnical or civil engineer.

c. Final grading plans shall be reviewed by a qualified registered geotechnical or civil engineer, and any resulting additional recommendations shall be incorporated into the project.

d. All site preparation work shall be performed under the observation of the Geotechnical Engineering firm of record. All design and construction shall conform to the requirements of the latest California Building Code.

e. All structural design and construction shall be subject to final approval by the City of Scotts Valley Building Official.

E. Circulation Safety Standards

1. **Highway 17 Access Hazards.** An urban lot split ~~SB 9 project~~ is not permitted where vehicle access to the site is provided solely from Highway 17 at the following locations as identified in the Highway 17 Access Management Plan (California Department of Transportation, 2016):

   a. Driveway at PM 6.712 (Map ID #24)

   b. Crescent Drive (Map ID #25)

   c. Driveway at PM 6.485 (Map ID #26)

Addendum to the General Plan EIR for the 6th Cycle Housing Element – 2025 Implementation Actions

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1 Introduction

The Scotts Valley General Plan 6th Cycle Housing Element 2023-2031 (Housing Element) requires that the City adoption and implementation of a number of amendments to the Zoning Ordinance to implement various Housing Element programs (the Project). The City of Scotts Valley has determined that the Project is subject to the guidelines and regulations of the California Environmental Quality Act (CEQA) and has prepared this Addendum to the City's General Plan EIR.

1.1 Statutory Authority and Requirements

This environmental document has been prepared in conformance with *CEQA* (*California Public Resources Code* [*PRC*] Section 21000 et seq.); *CEQA Guidelines* (*California Code of Regulations* [*CCR*], Title 14, Section 15000 et seq.); and the rules, regulations, and procedures for implementation of CEQA, as adopted by the City of Scotts Valley.

In accordance with *CEQA Guidelines* Sections 15051 and 15367, the City of Scotts Valley (City) is identified as the Lead Agency for the Project. This document has been prepared in accordance with CEQA Guidelines Sections 15164 (Addendum to an EIR on Negative Declaration) and 15168 (Program EIR) to explain the rationale for determining that the proposed 6th Cycle Housing Element 2023-2031 would not create any new or substantially more severe significant effects on the environment that were not analyzed in the Scotts Valley General Plan Update Environmental Impact Report (EIR).

In determining whether an Addendum is the appropriate document to analyze modifications to the General Plan EIR, CEQA Guidelines Section 15164 states:

a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
d) The decision-making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's required findings on the project, or elsewhere in the record. The explanation must be supported by

substantial evidence.

Since the Scotts Valley General Plan EIR has been certified, the environmental impacts of subsequent activities proposed under the General Plan must be examined in light of the impact analysis in the certified EIR to determine if additional CEQA documentation must be prepared. One of the standards that applies is whether, under Public Resources Code Section 21166 and CEQA Guidelines Sections 15162, there are new significant effects or other grounds that require preparation of a subsequent EIR in support of further agency action on the project. Under these guidelines, a subsequent EIR shall be prepared if any of the following criteria are met:

a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:
    1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects;
    2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; or
    3) New information of substantial importance, which was not known and count not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
        A. The Project will have one or more significant effects not discussed in the previous EIR or negative declaration;
        B. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
        C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
        D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

As demonstrated in the environmental analysis contained herein in the Addendum, none of the conditions that had been analyzed in the Scotts Valley General Plan EIR would change with adoption of the proposed 6th Cycle Housing Element 2023-2031. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified in the environmental analysis.

The environmental documentation (supported by the Initial Study, below), which is ultimately selected by the City in accordance with *CEQA*, is intended as an informational document undertaken to provide an environmental basis for subsequent discretionary actions relevant to the project. The resulting documentation is not, however, a policy document and its approval and/or certification neither presupposes nor mandates any actions on the part of those agencies from whom permits and other discretionary approvals would be required.

1.2 Purpose of an Initial Study

The purposes of an Initial Study are to:

1. Identify environmental impacts;
2. Provide the lead agency with information to use as the basis for deciding whether to prepare an EIR or a negative declaration;
3. Enable an applicant or lead agency to modify a project, mitigating adverse impacts before an EIR is required to be prepared;
4. Facilitate environmental assessment early in the design of the project;
5. Document the factual basis of the finding in a negative declaration that a project would not have a significant environmental effect;
6. Eliminate needless EIRs;
7. Determine whether a previously prepared EIR could be used for the project; and
8. Assist in the preparation of an EIR, if required, by focusing the EIR on the effects determined to be significant, identifying the effects determined not to be significant, and explaining the reasons for determining that potentially significant effects would not be significant.

   CEQA Guidelines Section 15063 identifies specific disclosure requirements for inclusion in an Initial Study. Pursuant to those requirements, an Initial Study shall include:

   - A description of the project, including the location of the project
   - Identification of the environmental setting
   - Identification of environmental effects by use of a checklist, matrix, or other method, provided that entries on a checklist or other form are briefly explained to indicate that there is some evidence to support the entries

- Discussion of ways to mitigate significant effects identified, if any
- Examination of whether the project is compatible with existing zoning, plans, and other applicable land use controls
- The name(s) of the person(s) who prepared or participated in the preparation of the Initial Study

9. With regards to the context of an Addendum, the Initial Study serves as the basis for substantial evidence that none of the elements of CEQA Guidelines Section 15162 requiring a subsequent EIR are triggered.

1.3 Responsible and Trustee Agencies

Certain projects or actions undertaken by a Lead Agency require subsequent oversight, approvals, or permits from other public agencies in order to be implemented. Such other agencies are referred to as Responsible Agencies and Trustee Agencies. Pursuant to *CEQA Guidelines* Sections 15381 and 15386, as amended, Responsible Agencies and Trustee Agencies are respectively defined as follows:

"Responsible Agency" means a public agency, which proposes to carry out or approve a project, for which [a] Lead Agency is preparing or has prepared an EIR or Negative Declaration. For the purposes of *CEQA*, the term "responsible agency" includes all public agencies other than the Lead Agency, which have discretionary approval power over the project. (Section 15381)

"Trustee Agency" means a state agency having jurisdiction by law over natural resources affected by a project, which are held in trust for the people of the State of California. Trustee Agencies include; The California Department of Fish and Wildlife, The State Lands Commission; The State Department of Parks and Recreation and The University of California with regard to sites within the Natural Land and Water Reserves System. (Section 15386)

For this project, the City of Scotts Valley is the Lead Agency and has the sole responsibility of processing and approving the project. There are no Responsible or Trustee Agencies that have oversight, approval, or permit responsibility associated with the project, or require consultation with the City of Scotts Valley. In addition, no other agency is required to approve the Housing Element, but it has been reviewed by the California Department of Housing and Community Development for the purpose of determining whether it complies with the requirements of State Housing Element law.

1.4 Incorporation By Reference

Pertinent documents relating to this Initial Study have been cited in accordance with CEQA Guidelines Section 15150, which encourages incorporation by reference as a means of reducing

redundancy and length of environmental reports. The following documents are hereby incorporated by reference into this EIR. Information contained within these documents has been utilized for this Initial Study. These documents are available for review at the City of Scotts Valley Community Development Department, and online.

1.4.1 Scotts Valley General Plan

The Scotts Valley General Plan (General Plan) is the City's "blueprint" for all future development and conservation within the community. The General Plan is organized into four main categories. These categories and their respective General Plan element(s) are shown below:

	General Plan Category	General Plan Element(s)
	Built Environment	Land Use Economic Development Housing
	Mobility	Mobility
	Natural Environment	Open Space & Conservation Environmental Review [1]
	Community	Community Services & Facilities Public Safety & Noise

Each element, within the four categories, contains a brief background section, following by a set of goals, policies and actions.

CEQA Review

Chapter 8 Environmental Review, in combination with other elements of the General Plan document, serves as the Draft EIR (DEIR) for the project and provides the environmental information and analysis and primary California Environmental Quality Act (CEQA) documentation necessary to adequately consider the effects of the updated General Plan. The update did not incorporate major changes in land use (i.e., General Plan Land Use designations) and brought the City's General Plan in compliance with current State Law. It also incorporated policies designed to minimize environmental impacts (i.e., "self-mitigating).

To minimize the need to re-analyze future development projects related to SVGP, CEQA encourages using a general plan EIR to address subsequent discretionary projects, such as adopting zoning ordinances and specific plans and approving capital improvement or development projects that are consistent with the general plan. This streamlined approach to environmental review is commonly called "tiering" (CEQA Guidelines §15152). By using a tiered approach, the environmental review for a subsequent project can be limited to those project-specific significant effects that either were not examined or not examined fully in SVGP Program EIR. Later activities that have been described adequately under the SVGP Program EIR will not require additional environmental documents.

When necessary, new environmental documents, such as a subsequent or supplemental EIR or a negative declaration, will focus on the project-specific impacts of later activities, filling in the information and analysis missing from the SVGP Program EIR. Similarly, CEQA offers the ability for projects that are consistent with the development density established by general plan policies for which an EIR was certified to evaluate only project-specific significant effects particular to the project or its site (CEQA Guidelines §15183).

The General Plan EIR reviewed the following topics: Aesthetics, Air Quality, Biological Resources, Cultural and Tribal Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise and Vibration, Population and Housing, Public Services and Utilities, Transportation, and Wildfire.

Significant Unavoidable Impacts

A significant and unavoidable impact was identified for Impact AQ-3 regarding a cumulatively considerable net increase in criteria pollutants. The most recent AMBAG 2018 Population, Housing Unit, and Employment Forecasts project population growth in five-year increments to the year 2040. The 2040 population forecast for the City of Scotts Valley by AMBAG is 12,418 persons. Since the General Plan assumes a population buildout of 15,400 (see Table LU-1: General Plan Buildout Summary), the General Plan would be inconsistent with the AQMP. This inconsistency in population forecasts is considered to result in a cumulatively considerable significant air quality impact. Due to the projected population growth, regional emissions would remain significant, and the General Plan would likely remain inconsistent with the AQMP. No further mitigation is feasible to reduce this impact. Therefore, this impact would remain *significant and unavoidable*.

A significant and unavoidable impact was also identified for Impact T-1 regarding the exceedance of VMT thresholds. While Impact T-1 identifies goals and policies in the Mobility Element, and the City's *VMT Implementation Guidelines* identifies strategies to reduce VMT, impacts associated with implementation of the General Plan would not be reduced to less than significant due to the increased development, new roadways, and increased use of the City's and regional transportation system. While project-level impact mitigation shall be analyzed to

reduce the significance of VMT-related impacts and the City VMT Implementation Guidelines will be continually improved and innovated to require VMT reduction to the extent feasible, this impact would be *significant and unavoidable*.

Less Than Significant Impacts

No other significant impacts were identified in the EIR. This is due to the fact that this General Plan is a programmatic policy document and does not propose specific development projects. Furthermore, where potential significant impacts were initially identified, additional policies were added to the General Plan to "pre-mitigate" such impacts. Lastly, the City of Scotts Valley is a compact urban community that is surrounded by natural barriers to outward expansion. As described in the Land Use Element, developable areas within the City limits are largely built out. As an established community, new development accommodated by the General Plan would be considered infill development, both on limited remaining vacant lands or intensification and/or redevelopment on underutilized parcels.

On November 23, 2023, the Scotts Valley City Council adopted the General Plan to replace the City's previous 1994 General Plan. The Council also adopted a Statement of Overriding Considerations for significant, unavoidable impacts.

1.4.2 Scotts Valley Housing Element

The Housing Element is one of seven mandated elements of the City's General Plan. It identifies the current and future housing needs of the City with proposed actions to facilitate the provision of housing to meet those needs at all income levels. Updates to the Housing Element are required by State law every eight years and reflects the State's housing goal of "attaining decent housing and a suitable living environment for every California family," as well as incorporating the unique concerns of the community. The Housing Element includes programs with actions that the City must complete within a specified timeframe.

For the 6th Cycle, the City of Scotts Valley was allocated a total of 1,220 housing units (also known as the City's Regional Housing Need (RHNA)). The Housing Element update is required to identify strategies and exact parcels to accommodate the entirety of RHNA.

On December 20, 2023, the City Council adopted the City's 6th Housing Element (2023-2031). The Housing Element was subsequently certified by the California Department of Housing and Community Development (HCD) on April 2, 2024.

CEQA Review

The Housing Element was determined by the City, acting as the Lead Agency, to be exempt from further CEQA review per Section 15061(b)(3), given the project consists of activities covered by the "common sense exemption" that CEQA allows when a project would not cause a significant effect on the environment.

This was based on the finding that the Housing Element would not result in any direct or indirect physical changes to the environment. The Housing Element is a policy document and does not provide entitlements to any specific land use projects. It does not make any changes to the General Plan land use map and does not modify any land use designations, allowed densities, or land use intensities currently established in the General Plan. It neither entitles, proposes, nor otherwise requires the construction of new development or rehabilitation of existing development, nor does it change the rate or location of new development.

Rather, the goals, policies, and programs established by the Housing Element only facilitate the development, preservation, and rehabilitation of housing consistent with existing and planned uses, as identified in the General Plan and as mandated under State law. As such, the impacts of the proposed 6th Cycle Housing Element were addressed by the EIR that was certified by the City Council for the General Plan (11/29/23). The proposed modifications to the Housing Element did not create any impacts on the environment that were not previously evaluated as part of the General Plan.

1.4.3 Scotts Valley Municipal Code

The Scotts Valley Municipal Code (Municipal Code), consists of codes and ordinances adopted by the City. These include standards intended to regulate land use, development, health and sanitation, water quality, public facilities, and public safety.

On December 4, 2024, the City Council adopted various Zoning Ordinance amendments that were required by the Housing Element to be completed in 2024. These amendments addressed accessory dwelling units, by-right development, design review criteria, and other topics. The City determined that these amendments were exempt from further CEQA review per Section 15061(b)(3), covered by the “common sense exemption” that CEQA allows when a project would not cause a significant effect on the environment.

The Housing Element requires the City to complete additional Zoning Ordinance amendments in 2025. These include amendments to remove residential development constraints, incentivize development on large lots, incentivize lot consolidation, implement fair housing laws, and other topics. Further amendments that must be completed in 2026 include housing opportunity site rezoning and inclusionary housing ordinance revisions.

Based on the CEQA Guidelines, this Addendum analyzes the potential environmental impacts associated with these amendments.

2 Project Background and Context

2.1 Project Location

Scotts Valley is located in north Santa Cruz County and is bisected by Highway 17. The City is located just a short distance from the Monterey Bay, nestled in the redwoods on the upland slope of the Santa Cruz Mountains. It is approximately six miles north of Santa Cruz, 30 miles southwest of San Jose and 68 miles south of San Francisco (see Figure 1 Regional Location).

2.2 Environmental Setting

Since incorporation in 1966, the City of Scotts Valley has evolved as a balanced community with family-oriented residential neighborhoods, innovative light-industrial and manufacturing businesses, and strong retail/services corridors along Mount Hermon Road and Scotts Valley Drive. The City's topography reinforces the notion of a community in a valley, surrounded by forested hills and scenic landscapes.

The City of Scotts Valley is comprised of approximately 4.6 square miles. Land uses in the City includes residential, commercial, industrial, open space, and civic (government) uses. A large majority (72% of total land area) of Scotts Valley is designated residential, which includes both single and multiple-family residences, apartments and condominiums and mobile home parks.

2.3 General Plan and Zoning Designations

Not Applicable (Citywide)

2.4 Purpose and Organization of the Housing Element

The Scotts Valley 6th Cycle Housing Element 2023-2031 (Housing Element) represents an update of the City's 2015-2023 Housing Element. The Housing Element is an integral component of the City's General Plan, as it addresses existing and future housing needs of all types for persons of all economic segment groups in the City. The Housing Element serves as a tool for decision-makers and the public in understanding and meeting housing needs in Scotts Valley. While the law does not require local governments to actually construct housing to meet identified needs, it does allow the City to plan for and accommodate the construction of housing as may be proposed by future development projects.

The Housing Element is one of the seven mandatory elements of a General Plan. Through policies, procedures, and incentives, it provides an action-plan for maintaining and expanding the housing supply in the City of Scotts Valley. The Housing Element consists of the following Chapters and Appendices:

- Chapter 1: Introduction

- Chapter 2: Housing Plan
- Appendix A: Review of Past Performance
- Appendix B: Housing Needs Assessment
- Appendix C: Housing Constraints
- Appendix D: Housing Resources
- Appendix E: Affirmatively Furthering Fair Housing (AFFH)
- Appendix F: Candidate Sites Inventory
- Appendix G: Summary of Community Engagement
- Appendix H: Glossary

Scotts Valley's Housing Element for the 6th cycle planning period of June 30, 2023 to December 15, 2031 describes policies and programs that include:

- Identification and analysis of existing and projected housing needs, resources, and constraints;
- A statement of goals, policies, quantified objectives, and scheduled programs for preservation, improvement and development of housing;
- Identification of adequate sites for housing; and
- Adequate provision for existing and projected needs of all economic segments of the community.

Pursuant to Government Code Section 65583, the Housing Element contains four basic parts:

1. Analysis of demographic, social, and housing characteristics, current and future housing needs due to population growth and change, and other factors affecting housing needs;
2. Analysis of governmental and nongovernmental constraints that affect the development, maintenance, and improvement of housing for all income groups and people with disabilities;
3. Inventory of resources available to address the City's housing needs, including available land for housing, as well as the financial resources and administrative capacity to manage housing programs; and
4. Specific actions or programs to address the development, improvement, and conservation of housing to meet current and future needs. This includes goals, policies, and specific housing programs.

2.5 Regional Housing Needs Assessment

California Government Code Article 10.6, Section 65580 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in suitable living environments for all communities to meet statewide goals. The 6th Cycle Housing Element 2023-2031 is a statement by the City of Scotts Valley of its current and future housing needs identified in a policy document that sets forth the City's goals, policies, and programs to address those identified needs.

Specifically, Government Code Section 65580 states the housing element shall consist of "…an identification and analysis of existing and projected housing needs and a statement of goals, polices, quantified objectives, financial resources and scheduled programs for the preservation, improvement, and development of housing." The housing element must also contain a housing plan with quantified objectives for the implementation of the goals and objectives described in the housing element. State law requires the housing element be updated every eight years or as otherwise required by State law.

Government Code Article 10.6, Section 65589 – 65589.8, Chapter 3 of Division 1 of Title 7 sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in all communities to meet statewide goals. This Addendum and supporting Initial Study evaluates the environmental effects of the adoption and implementation of the Scotts Valley 6th Cycle Housing Element. The planning period is from June 30, 2023 through December 15, 2031.

Government Code Section 65583 requires that housing elements include the following components:

- A review of the previous element's goals, policies, programs, and objectives to ascertain the effectiveness of each of these components, as well as the overall effectiveness of the Housing Element;
- An assessment of housing needs and an inventory of resources and constraints related to the meeting of these needs;
- An analysis and program for preserving assisted housing developments;
- A statement of community goals, quantified objectives, and policies relative to the preservation, improvement and development of housing; and,
- A program which sets forth an eight-year schedule of actions that the City is undertaking or intends to undertake, in implementing the policies set forth in the Housing Element.

California housing element law requires that each city and county develop local housing programs designed to meet their "fair share" of housing needs for all income groups. The California Department of Housing and Community Development (HCD), Housing Policy Division

develops the Regional Housing Needs Assessments (RHNA) for each region of the State, represented by councils of governments.

The Association of Monterey Bay Area Governments (AMBAG) determines the housing allocation for each city and county within its three-county jurisdiction, which includes Santa Cruz County. The City's RHNA is divided into four income categories, which is based on the Santa Cruz County HUD Area Median Family Income (HAMFI) for an assumed family of four, as shown in Table 1 Regional Housing Needs Allocation 2023-2031. The RHNA covers the period of June 30, 2023 through December 15, 2031.

Table 1 Regional Housing Needs Allocation 2023-2031 by Income Category

Income Category	Percent of HUD Area Median Family Income (HAMFI)	Number of Units (per RHNA)
Very Low-Income	0-50% HAMFI	392
Low-Income	51-80% HAMFI	257
Moderate-Income	81-120% HAMFI	154
Above Moderate-Income	>120% HAMFI	417
Total RHNA		**1,220**

*The Scotts Valley AMI is $119,300 for a family of four, according to the 2022 HCD Income Limits.

2.6 Residential Sites Inventory

The inventory is detailed in Appendix F: Candidate Sites Inventory of the Scotts Valley 6th Cycle Housing Element 2023-2031.

Table 2 6th Cycle RHNA Sites Inventory Analysis shows the City's ability to accommodate the 6th Cycle RHNA by income category through a variety of methods, including those listed below. Figure 2 6th Cycle Housing Element Sites Inventory – All Sites illustrates the location of the sites throughout Scotts Valley. The inventory includes:

- Current capacity on residentially-zoned sites;
- Projects currently in the City's review pipeline;
- Accessory dwelling unit (ADU) projections; and,
- Rezone strategies to accommodate the remaining RHNA.

Table 2 6th Cycle RHNA Sites Inventory Analysis

Strategies		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
6th Cycle RHNA		392	257	154	417	1,220
Existing Residential Capacity		11		6	66	83
Pipeline Projects		51		13	353	417
Projected ADUs		24		12	4	40
Town Center Specific Plan		427		39	191	657
Rezones	Residential	103		24	137	264
	Mixed Use	280		74	351	705
Total		**896**		**168**	**1,102**	**2,166**
Percent Over RHNA		**38%**		**9%**	**164%**	**78%**

The 6th Cycle Housing Element 2023-2031 identifies sites evaluated previously for potential environmental impacts in the Scotts Valley General Plan EIR (2024). The 6th Cycle Housing Element 2023-2031 Update identifies a range of inventoried sites that could be developed to meet the City's 6th cycle RHNA throughout Scotts Valley. Some of these sites may differ from those identified in the Scotts Valley General Plan and require land use changes (rezones) that would allow for increased density or other provisions. These rezones are the basis for this CEQA analysis and are described below.

Government Code Section 65583 (c)(1)(A) states that cities have up to three years from the time a Housing Element is adopted to rezone sites, including adoption of minimum density and development standards. The sites inventory yields housing units that provide more than 100 percent of the RHNA requirements. Furthermore, each future development proposal associated with implementation of the Housing Element would be subject to environmental analysis, as applicable, pursuant to CEQA Guidelines Section 15168(c) and as required by State law, to evaluate potential impacts specific to that proposal.

3 Project Description

The Project includes amendments to Scotts Valley General Plan and the Scotts Valley Municipal Code (SVMC) to bring the City into compliance with their Housing Element. These include: 1) Rezone 35 residential and mixed-use parcels (Rezone Sites); 2) Revise relevant residential development standards; 3) Revise relevant standards to conform to Housing Element Program H-3.2 Affirmatively Furthering Fair Housing; and 4) Incorporate other various amendments required as part of the Housing Element implementation. These amendments (the Project) are described below.

3.1 Rezone Sites to Meet the RHNA

To provide adequate sites, Housing Element Program H-1.1 requires the City to rezone 35 properties (Rezone Sites) to allow a residential density of 40 units per acre. As shown in Figures 3 Residential Rezone Sites and Figure 4 Mixed-Use Rezone Sites, seven of these sites are "residential rezones" and 28 sites are "mixed-use rezones."

For a residential rezone site, the City must allow residential-only development (no commercial component required). For a mixed-use rezone site, the City may require residential development to include a commercial component but must allow projects with up to 70 percent residential floor area.

On all rezone sites, the City must permit up to 40 dwelling units per acre with development standards (e.g., building height, lot coverage, setbacks) that allow for this density. All but three of the rezone sites are currently zoned Service Commercial (C-S). Additional information about the sites can be found in Housing Element Appendix F.

In 2024, the City adopted Zoning Ordinance amendments to create a new Housing Element Opportunity Site (HE) Combing District. The HE Combining District, found in Chapter 17.41 of the SVMC, establishes a by-right permitting process for Housing Element sites required by state law. The HE Combining District applies to the Rezone Sites.

3.1.1 Proposed Rezone Sites Amendments

To implement Housing Element Program H-1.1, the proposed Zoning Code Amendments include the following changes to Chapter 17.41 Housing Element Opportunity Site Combining District:

- **Permitted Uses**: Allows multifamily dwellings as a permitted use in the HE combining district. On mixed-use rezone sites, residential uses must occupy less than 70 percent of the total gross square feet on the property. On all other sites, residential-only development (no commercial uses on site) is allowed.

- **Development Standards**: Up to 40 dwelling units per acre and 60 percent building coverage is allowed on rezone sites. Building heights greater than 35 feet permitted for pitched roofs and vertical mixed-use buildings.
- **Deviations**: Deviation from development standards is allowed if necessary to accommodate permitted density on the site.

These proposed Zoning Code Amendments also require revisions to the General Plan Land Use Element, Table LU-2: General Plan Land Use Designations. Specifically, if would add notes "(3)" pertaining to "Residential Density / Commercial Building Coverage" and "(4)" pertaining to "Potential Land Uses" as follows:

(3) On sites listed in Housing Element Table F-10: Scotts Valley 6th Cycle Candidate Sites, the residential density, commercial building coverage, and potential land uses are as permitted in the Housing Element.

(4) In the Mixed Use Rezone sites listed in Housing Element Table F-10, residential uses must consist of no more than 70 percent of the total gross square feet of the development. On Residential Rezone sites, there is no limit on the percent of development floor area that may be residential (i.e., residential-only development is allowed).

These Amendments would affect seven parcels (8.7 acres), identified in Figure 3 Residential Rezone Sites, to permit residential uses ranging up to a density of 40 dwelling units per acre, accommodating 264 units, including 103 lower income units. They would also affect 28 parcels (32.2 acres), identified in Figure 4 Mixed-Use Rezone Sites, to permit mixed-use developments ranging up to a density of 40 dwelling units per acre with up to 70 percent residential, accommodating 705 units, including 280 lower income units.

The proposed new development standard would reduce the existing commercial use requirement on these sites from 50 to 30 percent. Analysis of development standards in the Housing Element concluded that this reduction to 30 percent would help facilitate housing development. In addition, proposed lot consolidation incentives (discussed below) would allow residential-only development on the mixed use rezone sites for qualifying 100 percent affordable development projects.

These amendments would not apply to any parcels located in the Town Center Specific Plan area.

3.2 Citywide Residential Development Constraints

Housing Element Program H-1.6 requires the City to study existing residential development standards and to determine if these standards are a potential constraint to housing production.

Program H-1.6 also states that the City shall adopt Zoning Ordinance amendments, if needed, to address and remove these constraints. These amendments would apply citywide in all areas, including the HE Combining District.

Residential development standards include maximum density, minimum lot size and dimensions, minimum setbacks, maximum building and site coverage, maximum building heights, and minimum on-site parking.

Housing Element Appendix C analyzes governmental constraints to housing production in Scotts Valley, including development standards in the Zoning Ordinance. This analysis concludes that the minimum building coverage standard on C-S and C-SC properties (45 percent and 35 percent, respectively) would constrain mixed-use housing development to 20 units per acre. Required multifamily parking (two parking spaces per multifamily unit, plus one guest space per five units) would constrain multifamily and mixed-use development to 20 units per acre. Other development standards would not constrain residential development at permitted densities.

3.2.1 Proposed Amendments

To implement Housing Element Program H-1.6, Sections 17.20.040 and 17.22.040 would be amended to increase the maximum building coverage outside of the HE Combining District from 45 percent to 50 percent in the Service Commercial (C-S) zone and from 35 percent to 50 percent in the Shopping Center (C-SC) zone. Within the HE Combining District, the maximum permitted building coverage would be 60 percent to allow for development at 40 units per acre.

The proposed amendments also includes revisions to Section 17.44.030 to reduce the number of required parking spaces for multi-family dwellings to one space for studios and one-bedroom units, 1.5 spaces for two-bedroom units, and two spaces for units with three or more bedrooms.

3.3 Affirmatively Furthering Fair Housing (AFFH)

Housing Element Program H-3.2 requires the City to “affirmatively further fair housing” by taking actions to overcome patterns of segregation and increase access to opportunities for all residents. Program H-3.2 requires changes to development regulations that apply uniquely in “racially concentrated areas of affluence” (RCAA). Under state law, RCAA are areas with relatively high percentage of white population and high household incomes.

Figure 5 Racially Concentrated Areas of Affluence (RCAAs) illustrates the RCAA boundary as identified in the Housing Element which includes all residential areas east of Highway 17 and south of Mount Hermon Road using the methodology recommended by the California Department of Housing and Community Development (HCD). These boundaries are established in the Housing Element consistent with state law.

3.3.1 Proposed Amendments

To implement Program H-3.2, the proposed amendments would create a new section in the Zoning Ordinance to address RCAA provisions, which are summarized as follows:

Missing Middle Conversions

Allow conversion of existing single-family residences into "missing middle" housing in lower density residential areas. [1]

Within RCAA, an existing single-family home may be converted into a duplex or a triplex with development standards designed to protect the public health and safety and ensure neighborhood compatibility including:

- The lot must conform to zoning district minimum lot area standard.
- The lot may contain only one existing dwelling unit.
- The conversion may only use existing living area in the primary dwelling (e.g., no conversion of accessory structures).
- Minimum lot area of 5,000 sq. ft. per unit (two units max on 10,000 sq. ft. R-1 lot, three units max on 15,000 sq. ft. R-1 lot).
- Three units permitted only on lots with an average slope of less than 25 percent.
- Conversions are not permitted on lot with existing ADUs, however ADUs may be added in the future as permitted by state law.
- The conversion may not be combined with an SB 9 project.
- Two on-site parking spaces must be provided for each unit. Parking spaces may not be in the front setback. The conversion may not add or enlarge an existing driveway curb cut.
- Units must be connected to water and sewer.

SB 9 Triplexes

SB 9 requires cities to permit two primary dwelling units on single-family lots. One accessory dwelling unit (ADU) and one junior accessory dwelling unit (JADU) are also permitted on the lot with the two primary dwelling units. Scotts Valley adopted a local ordinance implementing SB 9 in 2024 (SVMC Chapter 17.55).

The amendment would allow properties eligible for SB 9 unit development provisions to construct triplexes in R-1 zoned single-family neighborhoods identified as RCAAs with the

[1] "Missing middle" housing in this context refers to duplexes and triplexes intended to match the character of single-family residential neighborhoods.

inclusion of at least one deed restricted unit affordable to a very low or low-income household. The third SB 9 unit will be subject to the following development standards:

- Maximum floor area: 800 square feet.
- A third unit is not allowed with an SB 9 urban lot split.
- The third unit is allowed only as a modification to an existing dwelling.
- The third unit may be created by adding new floor area to the existing dwelling (not limited to conversion of existing floor area only).
- The third unit must comply with zoning district setbacks.
- The third unit must comply with all SB 9 standards, including public health and safety and environmental resource protection standards (except as modified above).

Permits for Condominiums and Townhomes

Remove the conditional use permit (CUP) requirement for condominiums and townhomes within R-1 parcels which are identified as RCAAs.

3.4 Other Miscellaneous Amendments

A variety of other amendments to Chapter 17 Zoning of the SVMC would implement other Housing Element programs. These include the following with the respective implementing program shown in parentheses, where applicable:

- **Mixed Use Development Incentives (H-1.7):** Adopt development incentives, such as, but not limited to, decreasing the commercial component for projects that include a greater number of affordable units, for candidate sites identified for mixed-use rezoning.
- **Large Lot Development Incentives (H-2.6):** Adopt and implement a program to facilitate the development of lots larger than ten acres (including flexibility in zoning)
- **Lot Consolidation Incentives (H-2.8):** Facilitate the consolidation of vacant and underutilized lots or residential development (e.g., reduction in lot size and setback requirements, and/or parking reductions.
- **Condominium Conversion Ordinance (H-3.12):** The City shall adopt a Condominium Conversion Ordinance to preserve the existing, and future, rental housing stock by establishing a maximum percent of the City's total housing stock that can be converted over a certain period of time. The Ordinance shall also establish tenant notification and relocation assistance requirements, limit rent increases once a notice of intent to convert has been filed and give tenants the priority to purchase units.

- **SB 9 Ordinance Amendments:** These amendments consist of various revisions to 17.55 (SB 9 Residential Development), 16.78 (Urban Lot Splits), and the City's SB 9 public health and safety and environmental protection standards to bring the City's SB 9 ordinance into compliance with recently amended state law.
- **Highway 17 Access Hazards:** This amendment would update the General Plan and would prohibit new residential development from solely accessing Highway 17 at specific roadways, as identified in the Highway 17 Access Management Plan (Caltrans, 2016).

3.5 Project Implementation

Based on an analysis by the City and as shown in Table 3 Comparison of Existing and Project Rezoning Residential Units and Population Capacity, implementation of the Project would result in an additional 480 residential units and 605 persons.

Table 3 Comparison of Existing and Project Rezoning Residential Units and Population Capacity

Rezone Sites	# of Parcels	Units	Population [1]
Existing Zoning Capacity			
Residential	7	86	216
Mixed-Use	28	403	1,011
Total	**35**	**489**	**1,227**
Project Zoning Capacity			
Residential	7	264	662
Mixed-Use	28	705	1,770
Total	**35**	**969**	**1,832**
Net Change			
Residential	7	**178**	**446**
Mixed-Use	28	**302**	**759**
Total	**35**	**480**	**605**

Notes:
1. Assumes an average of 2.51 persons per household.
Source: City of Scotts Valley, March 2025.

As shown in Table LU-1: General Plan Buildout Summary of the General Plan, the buildout development capacity analysis (2023) assumed an additional 1,199 additional residential units will be constructed between 2022 and the 2045 buildout projection year. Based on an average

household size of 2.51 persons per household (U. S. Census, 2022), this equates to an estimated population increase of approximately 3,000 people. Implementation of the Project would not exceed the development capacity as described the Land Use Element of General Plan. It is also consistent with the City's Housing Element and State requirements to provide additional housing consistent with the City's RNHA allocation.

Furthermore, allowing all parcels to be developed to the maximum density or intensity is not the intention of the General Plan. The intention is to reflect a maximum development envelope or density range under appropriate conditions, and in accordance with applicable zoning regulations. There are many factors that may limit or affect a development's ability to achieve the maximum intensity on a specific parcel, resulting from the parcel's physical limitations, the City's zoning standards, and how an owner/developer chooses to address the function and design of the development. These factors may include, but are not limited to, the following:

- Parcel size and configuration
- Height limits
- Lot coverage allowed
- Requirements for setbacks, build-to standards, landscaping and open space
- Development standards and design guidelines
- Type of parking provided (e.g., surface, below-grade, or structured)
- Adjacency to sensitive land uses, such as single-family neighborhoods.

It is important to note that the General Plan development build-out analysis represents a maximum development envelope of density based on existing and potential general plan land use designations. Development forecasts involve an analysis of other factors such as environmental constraints, economic and market conditions, historic trends, property ownership, and community preferences.

3.6 Permits and Approvals

The City of Scotts Valley is the Project Applicant. The Project requires the following legislative/discretionary approvals:

- General Plan Amendment
- Zoning Code Amendments
- Subdivision Ordinance Amendments
- Amendments to the City of Scotts Valley SB 9 Standards adopted by City Council Resolution

4 Supplemental Environmental Checklist Form

4.1.1 Project Title

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

4.1.2 Lead Agency Name and Address

City of Scotts Valley
One Civic Center Drive
Scotts Valley, CA 95066

4.1.3 Contact

Taylor Bateman
Community Development Director
tbateman@scottsvalley.gov

4.1.4 Project Location

Citywide. See Figure 1 Regional Location.

4.1.5 Project Applicant

None.

4.1.6 General Plan Designation

Citywide.

4.1.7 Zoning

Citywide.

5 Environmental Analysis

In accordance with *CEQA*, *Public Resources Code* Sections 21000-21178.1, this Initial Study has been prepared to analyze whether any new or more significant environmental impacts could occur from implementation of the Project. The purpose of this Initial Study is to inform the decision makers, affected agencies, and the public of potential environmental impacts associated with the implementation of the Project. This section analyzes the potential environmental impacts associated with the Project.

As demonstrated in Environmental Analysis Sections below, none of the conditions that had been analyzed in the General Plan EIR would change with adoption of the proposed Project. Furthermore, no new information of substantial importance meeting the criteria listed in CEQA Guidelines Section 15162 has been identified.

A Housing Element does not propose or require development of any residential use, rather, it establishes local goals, policies, and actions the City would implement and/or facilitate to address identified housing issues. In accordance with State law, Housing Elements must be updated every eight years to establish current housing and land use strategies reflective of changing needs, resources, and conditions.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Criteria used to analyze potential impacts associated with the proposed project including the following:

1) A finding of “New Potentially Significant Impact” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document that cannot be mitigated to below a level of significance or be avoided.
2) A finding of “New Mitigation is Required” means that the project may have a new potentially significant impact on the environment or a substantially more severe impact than analyzed in the previously approved or certified CEQA document and that new mitigation is required to address the impact.
3) A finding of “No New Impact/No Impact” means that the potential impact was fully analyzed and/or mitigated in the prior CEQA document and no new or different impacts will result from the proposed activity. A brief explanation is required for all

answers except “No New Impact/No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No New Impact/No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A “No New Impact/No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

4) A finding of “Reduced Impact” means that a previously infeasible mitigation measure is now available, or a previously infeasible alternative is now available that will reduce a significant impact identified in the previously prepared environmental document.

5) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.

6) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:

   a) Earlier Analyses Used. Identify and state where they are available for review.

   a) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis. Describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the proposed action.

   b) Infeasible Mitigation Measures. Since the previous EIR was certified or previous ND or MND was adopted, discuss any mitigation measures or alternatives previously found not to be feasible that would in fact be feasible or that are considerably different from those previously analyzed and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives.

   c) Changes in Circumstances. Since the previous EIR was certified or previous ND or MND was adopted, discuss any changes in the project, changes in circumstances under which the project is undertaken and/or "new information of substantial importance" that cause a change in conclusion regarding one or more effects discussed in the original document.

7) Lead agencies are encouraged to incorporate into the checklist references to

information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

8) Supporting Information Sources. A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.

9) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.

10) The explanation of each issue should identify:

    a) the significance criteria or threshold, if any, used to evaluate each question;

    b) differences between the proposed activity and the previously approved project described in the approved ND or MND or certified EIR; and

    c) the previously approved mitigation measure identified, if any, to reduce the impact to less than significance.

New Significant Environmental Effects or Substantially More Severe Environmental Effects Compared to Those Identified in the Previous CEQA Document

The subject areas checked below were determined to be new significant environmental effects or to be previously identified effects that have a substantial increase in severity either due to a change in project, change in circumstances or new information of substantial importance, as indicated by the checklist and discussed below.

	Aesthetics		Land Use and Planning
	Agriculture and Forestry Resources		Mineral Resources
	Air Quality		Noise
	Biological Resources		Population and Housing
	Cultural and Tribal Cultural Resources		Public Services
	Energy		Recreation
	Geology and Soils		Transportation
	Greenhouse Gas Emissions		Utilities and Service Systems
	Hazards and Hazardous Materials		Wildfire
	Hydrology and Water Quality		

Lead Agency Determination

On the basis of this evaluation:

	No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND or MND or previously certified EIR is adequately discusses the potential impacts of the project without modification.
X	No substantial changes are proposed in the project and there are no substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous approved ND or MND or certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Also, there is no "new information of substantial importance" as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, the previously adopted ND, MND or previously certified EIR adequately discusses the potential impacts of the project; however, minor changes require the preparation of an ADDENDUM.
	Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous ND, MND or EIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, all new potentially significant environmental effects or substantial increases in the severity of previously identified significant effects are clearly reduced to below a level of significance through the incorporation of mitigation measures agreed to by the project applicant. Therefore, a SUBSEQUENT MND is required.
	Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). However, only minor changes or additions or changes would be necessary to make the previous EIR adequate for the project in the changed situation. Therefore, a SUPPLEMENTAL EIR is required.
	Substantial changes are proposed in the project or there are substantial changes in the circumstances under which the project will be undertaken that will require major revisions to the previous environmental document due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects. Or, there is "new information of substantial importance," as that term is used in CEQA Guidelines Section 15162(a)(3). Therefore, a SUBSEQUENT EIR is required.

5.1 Aesthetics

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Except as provided in Public Resources Code Section 21099, would the project:				
a) Have a substantial adverse effect on a scenic vista?			X	
b) Substantially damage scenic resources, including but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway?			X	
c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			X	

5.1.1 Discussion

Scenic Vistas, Resources, or Viewsheds (a)

Figure OSC-5: Viewsheds and Scenic Corridors of the General Plan identifies prominent forested ridges, scenic road corridors along portions of Highway 17 and several redwood canyon riparian areas, and vistas (largely from higher vantage points toward the ridges, or toward the broad sweep of the valley below). Prominent ridges parallel Highway 17 on the east and Scotts Valley Drive on the west, surround the City limits north and west on Glenwood Drive, and follow the Bean Creek/Zayante divide in the southwest part of the City.

As described in the General Plan EIR (Impact AES-1), future development will be required to preserve and protect existing viewsheds and scenic open spaces and corridors. Policies include

ridgeline protection, visual integration of new development within the natural setting, clustering development, and careful site planning to protect scenic resources.

Given the fact that the City is largely built out, and there are a number of General Plan goals and polices that protect existing viewsheds and scenic open spaces, the General Plan concluded that substantial impacts to scenic vistas, resources, and viewsheds are considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Scenic Resources and Visual Character (b and c)

As described in the General Plan EIR (Impact AES-2), implementation of the General Plan would result in localized alteration to the existing visual character within the City. Land Use Element Goals LU-1 and LU-4 and associated policies address design quality, compatible development, landscaping, and design guidelines and require high-quality commercial and mixed-use development within the Mount Hermon Road and Scotts Valley Drive corridors.

As described in the Open Space & Conservation Element, Goal OSC-2 and associated policies require future development to incorporate appropriate site planning and design features to minimize aesthetic impacts and visually integrate with the visual character of surrounding land uses and the overall City's "small town" character. Policies include natural setting integration, landscape screening, infill and clustering of development, street and open space planning, integrated site planning, and quality design.

Additionally, the Mount Hermon Road Design Guidelines, the Commercial and Industrial Design Review Guidelines, Multi-Unit Residential Design Standards, and the Residential Design Handbook provide guidance regarding the protection and enhancement of aesthetic and visual resources, as applicable.

As such, the General Plan EIR concluded that substantial impacts to scenic resources and visual character is considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Light and Glare (d)

Implementation of the Project would introduce new light sources in undeveloped and underdeveloped portions of the City. New light sources would include, but not be limited to, new commercial and residential development, street lighting, parking lots, and security lighting. These new light sources would occur within the existing urban areas of the City limits where nighttime lighting already existing.

As described in the General Plan EIR (Impact AES-3), Policy LU-1.14 Commercial & Industrial Development – Lighting requires that lighting in non-residential development be controlled to the extent necessary for security, safety and identification without interfering with adjoining land uses. Lighting shall be directed away from public rights-of-way and adjacent residential land uses. Policies LU-1.9 Design Quality and LU-1.10 Compatible Development, requires future development to enhance the visual character of the community. Furthermore, future development projects are subject to design review, which includes an assessment of exterior lighting.

Scotts Valley Municipal Code Chapter 17.44.020 – Commercial and Industrial Performance Standards (7) requires that no direct or sky-reflected glare, whether from floodlights or from high-temperature processes such as combustion or welding or otherwise, shall emanate from any establishment or use so as to be visible at a distance of 500 feet from said establishment or use. Additionally, the City Multi-Unit Residential Design Standards Part 2, Section IX.B.5 require that light must be directed downward or towards structures and away from adjacent lots to minimize illumination of adjacent properties and the public right of way.

The General Plan EIR concluded that implementation of General Plan policies, the City's various design guidelines documents, design review, and City regulations, substantial impacts associated with the creation of new sources of light and glare are considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.2 Agriculture and Forestry Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?			X	
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?			X	
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				
d) Result in the loss of forest land or conversion of forest land to non-forest use?			X	
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?			X	

5.2.1 Discussion (a–e)

None of the Project Rezone Sites (as described in Chapter 3 Project Description) are located on land that is classified as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance by the Farmland Mapping and Monitoring Program of the California Resource Agency. The remaining Project amendments, while City-wide, are related to future development are limited to residentially and commercially designated properties.

Conclusion

No Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.3 Air Quality

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:				

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?			X	
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?			X	
c) Expose sensitive receptors to substantial pollutant concentrations?			X	
d) Result in other emissions (such as those leading to odors adversely affecting a substantial number of people?			X	

5.3.1 Discussion

Air Quality Plan and Air Quality Standards (a)

The Project site is located within the North Central Coast Air Basin (NCCAB), which includes Monterey County, San Benito County, and Santa Cruz County, comprising an area of approximately 5,159 square miles along the central California coast. The Monterey Bay Air Resources District (MBARD) is responsible for local control and monitoring of criteria air pollutants throughout the NCCAB.

As described in the General Plan EIR (Impact AQ-1), MBARD's 2008 CEQA Air Quality Guidelines provides criteria for determining cumulative impacts and consistency. The CEQA Air Quality Guidelines note that a project which is inconsistent with an Air Quality Plan would have a significant cumulative impact on regional air quality. Any emissions sources that would be generated as part of a future project would be subject to the MBARD rules and regulations.

The Project does not include any processes or activities that would emit significant air pollutants. The proposed uses would not conflict with the Air Quality Management Plan (AQMP) for the Monterey Bay Region and would not make a considerable contribution to this existing, cumulatively significant ozone impact. The General Plan concluded that impacts would be less than significant.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project

involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Criteria Pollutants (a and b)

Construction Activities

Emissions from individual development construction sites would be short term and temporary but would occur through build-out of the General Plan. At any given times, several construction projects may be under way, which may result in substantial construction related emissions. The General Plan EIR (Impact AQ-2) concluded that implementation of Policy SN-4.18 through 21 would ensure that construction emissions associated with implementation of the General Plan would be less than significant.

Furthermore, Standard Conditions of Approval require that development projects reduce dust generation from project grading and construction to minimal levels, the project proponent shall require the grading contractor to implement best management practices (BMPs) for dust control.

Operational

The Project would result in new long-term operational emissions from mobile sources (burning of fossil fuels in cars); energy sources (cooling, heating, and cooking); and area sources (landscape equipment and household products). Mobile source emissions constitute most operational emissions from this type of development project.

As described in the General Plan EIR (Impact AQ-2), the operational emissions associated with future planned development associated with buildout of the General Plan, which include both area and mobile emissions, would occur incrementally over the next 20 plus years. Given the fact that Scotts Valley is largely built out and future development would occur on the few remaining vacant parcels or as infill development, individual projects are not anticipated to exceed MBARD significance threshold for daily emissions and would be evaluated against operational phase emissions presented in General Plan EIR Table ER-AQ-2: MBARD Significance Thresholds for Construction and Operational Emissions.

Furthermore, as required by MBARB, approval of future projects would prohibit the use of wood-burning fireplaces and require the use of low-emitting architectural coatings to further reduce air quality impacts.

The General Plan EIR concluded that impacts of dust, criteria air pollutants, and toxic air contaminants generated by long-term operation of future planned development associated with buildout of the General Plan would be less than significant and no mitigation is required.

Cumulatively Considerable Pollutants

As described in the General Plan (Impact AQ-3), the evaluation of whether or not General Plan implementation would lead to significant air quality emissions should be based on whether the population forecasts described in the General Plan are consistent with the population forecasts used in the AQMP. If the population forecasts described in the General Plan are above the population forecasts described in the AQMP, then the General Plan is considered inconsistent with the AQMP and would result in significant cumulative air pollutant emissions. The consistency analysis is performed by AMBAG, because AMBAG develops population forecasts that are used in the AQMP.

The most recent AMBAG Final Draft 2026 Subregional Growth Forecast projects population growth in five-year increments to the year 2040. The 2040 population forecast for the City of Scotts Valley by AMBAG is 12,887 persons. Since the General Plan assumes a population buildout of 15,400 (see General Plan Table LU-1: General Plan Buildout Summary), the General Plan would be inconsistent with the AQMP. This inconsistency in population forecasts is considered to result in a cumulatively considerable significant air quality impact.

Action SN-4.2 would require the City to work cooperatively with the MBARB and AMBAG to reduce significant emissions, and to the extent feasible, to meet Federal and State air quality standards for all pollutants. This action would also require the City to participate in future amendments and updates of the Air Quality AQMP for the Monterey Bay Region to ensure that new measures can be practically enforced in the region. However, due to the projected population growth, regional emissions would remain significant, and the General Plan would likely remain inconsistent with the AQMP. No further mitigation is feasible to reduce this impact. Therefore, the General Plan concluded that this impact would remain significant and unavoidable.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Furthermore, due to the projected population growth, regional emissions would remain inconsistent with the AQMP. Therefore, cumulatively considerable pollutant impacts associated with the Project would remain significant and unavoidable, and there would be **no new impact**.

Sensitive Receptors (c)

Sensitive land uses are defined as facilities or land uses that include members of the population that are particularly sensitive to the effects of air pollutants, such as children, the elderly, and people with illnesses. Examples of these sensitive receptors are residences, schools, hospitals, and daycare centers.

Construction equipment and associated heavy-duty truck traffic generates diesel exhaust which is a known toxic air containment (TAC). The California Air Resources Board (CARB) has identified diesel exhaust particulate matter as a toxic air contaminant, and assessment of toxic air contaminant cancer risks is typically based upon a 70-year exposure period. Project grading and construction activities that would utilize diesel-powered equipment would expose receptors to possible diesel exhaust for a very limited number of days (approximately 10 days). Because exposure to diesel exhaust would be well below the 70-year exposure period and given the limited and short-term duration of activities that would use diesel equipment, construction-related diesel emissions are not considered significant.

Furthermore, the State is implementing emission standards for different classes of on- and off-road diesel vehicles and equipment that applies to off-road diesel fleets and includes measures such as retrofits. Additionally, Title 13 of the California Code of Regulations (section 2485(c)(1)) prohibits idling of a diesel engine for more than five minutes in any location.

The General Plan EIR (Impact AQ-4) concluded that potential exposure of sensitive receptors to diesel emissions and associated risks is considered a less than significant impact, and no mitigation measures are required.

Additionally, Standard Conditions of Approval require that prior to issuance of a grading permit, the Director of Public Works and the Building Official shall confirm that the grading permit and specifications stipulate that all off-road construction vehicles/equipment comply with the California Air Resources Board's In-Use Off-Road Diesel Vehicle Regulation.

As described in the Transportation section of the General Plan EIR, future planned development and implementation of recommended transportation improvements would not result in an intersection cumulative LOS increase at any of the study intersections and the overall intersection capacity utilization (ICU) would not exceed MBARD criterion. Therefore, the

General Plan EIR concluded that impacts related to sensitive receptors would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Other Emissions (d)

During construction activities, temporary odors from vehicles exhaust and construction equipment engine would occur. However, construction-related odors would be short-term and would cease upon completion. Therefore, no objectionable odors are anticipated from construction activities associated with the project and there would be no impact.

Land uses typically producing objectionable odors include agricultural uses, wastewater treatment plants, food processing plants, chemical plants, composting, refineries, landfills, dairies, and fiberglass molding. The Project does not include any uses that would be associated with objectionable odors. Odor emissions from the project would be limited to odors associated with vehicle and engine exhaust and idling cars.

The General Plan EIR (Impact AG-5) concluded that Future planned development associated with buildout of the General Plan would include uses consistent with surrounding area and would be required to comply with MBARD Rules regarding operational emissions. Therefore, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.4 Biological Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?			X	
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?			X	
c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological			X	
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
wildlife corridors, or impede the use of native wildlife nursery sites?				
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?			X	
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?			X	

5.4.1 Discussion

Sensitive Natural Communities, Special Status Species, and Riparian Habitats (a and b)

As described in the General Plan Open Space & Conservation Element, there are three habitat communities in the Scotts Valley Planning Area: 1) Riparian Woodland, 2) Ponderosa Pine, and 3) Zayante/Santa Cruz Sandhills. These habitat communities support a variety of special-status plants and animals that do or could potentially occur. The Element contains a number of policies designed to protect these candidate, sensitive, rare, and/or special-status plant and animal species.

The General Plan EIR concluded that Implementation of these policies in the General Plan, and implementation of implementation of existing federal, state, and local regulations, would ensure that individual projects are required to analyze and mitigate for site-specific biological resources pursuant to current state and federal protocols for protected species. Implementation of these policies and programs would mitigate impacts to these resources to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Wetlands and Riparian Corridors (c and d)

Isolated wetlands, particularly those associated with riparian corridors and low-lying undeveloped areas, are located throughout the City. The Open Space & Conservation Element contains a number of policies to protect wetlands and riparian corridors including Policy OSC-1.8 and Policy OSC-1.12.

The General Plan EIR concluded that implementation of these policies in the General Plan, and implementation of existing federal, state, and local regulations, would ensure that individual projects are required to analyze and mitigate for site-specific impacts that would mitigate impacts to these resources to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Tree Preservation (e)

Future planned development associated with buildout of the General Plan could have a potential impact on the removal of trees, including native trees such as Coast live oak and Ponderosa pine. In addition, project construction may require grading within the dripline of native trees slated for retention and trimming to provide road clearances.

The City of Scotts Valley Zoning Ordinance Section 17.44.080 Tree Protection Regulation regulates the protection and removal of protected trees. Applicants for future development associated with buildout of the General Plan that would involve removal of protected trees are required to obtain a Tree Removal Permit, which involves submittal of an application and an arborist report to verify the reasons for removal or to determine alternatives to removal. Removal of protected trees other than Heritage Trees may be granted by ministerial approval. Removal of Heritage Trees requires authorization by the Planning Commission, either at project approval or at a separate public hearing held thereafter.

The General Plan EIR concluded that implementation of the City's Tree Protection Regulations would ensure that individual projects are required to analyze and mitigate for site-specific impacts to tree preservation policy or ordinances. Implementation of these policies and programs would mitigate impacts to these resources to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Conservation Plans (f)

As described in the Open Space & Conservation Element, there are three designated conservation areas within the General Plan Planning Area that are managed to preserve their habitat and plant and animal species: 1) Santa Cruz Sandhills, 2) Glenwood Preserve, and 3) Polo Ranch Habitat. Conservation plans that provide long-term management and monitoring of biological resources for the Santa Cruz Sandhills and Glenwood Preserve have been adopted by the City of Scotts Valley.

The General Plan EIR concluded that implementation the respective conservation plans, as well as the policies and actions described in the Open Space & Conservation Element (and other General Plan biological resources protection policies and actions) would ensure continued implementation and monitoring of the City's conservation areas and impacts to these resources would be reduced to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.5 Cultural Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource pursuant to in § 15064.5?			X	
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?			X	
c) Disturb any human remains, including those interred outside of dedicated cemeteries?			X	

5.5.1 Discussion

Historic and Archaeological Resources

As described in the Open Space & Conservation Element, in 1990, in cooperation with the Scotts Valley Historical Society (SVHS), the City completed a survey of all potential historic structures within the City limits. At present, the only historic structure in the City is the Scott House, which is located in MacDorsa Park, next to the Scotts Valley Civic Center. Over time, additional historic structures may be identified consistent with Section 17.44.140 – Historic Landmark Preservation of the Scotts Valley Municipal Code. Should future development have a potential impact on a designated landmark, or property that becomes suitable for landmark designation, the landmark would be subject to protection consistent with Section 17.44.140.

The City maintains a map that identifies designated areas of high and moderate archaeological sensitivity. This map is kept confidential to avoid potential impacts to know or unknown archaeological site. Consistent with Section 17.44.130 – Cultural Resource Protection, all future

development would be subject to City review to protect the interest of the public by providing for the identification, protection, enhancement, perpetuation and use of archaeological resources and sites within the City that reflect special elements of the City's prehistoric and historic archaeological heritage.

The Open Space & Conservation Element contains Goal OSC-4 and related policies designed to protect historic and archeological resources. Furthermore, the City would be required to consult with local tribal groups as part of the CEQA process for any future development, consistent with SB 18.

The General Plan EIR concluded that implementation of these goal and policies, as well as enforcement of the respective City's Municipal Code provisions and State requirements would effectively mitigate potential cultural and historic resource impacts to less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Human Remains

Pursuant to section 7050.5 of the Health and Safety Code, if human remains are discovered, there shall be no further excavation or disturbance of the discovery site, or any nearby area reasonably suspected to overlie adjacent human remains until the project applicant has complied with the provisions of State CEQA Guidelines Section 15064.5(e).

The General Plan EIR concluded that with implementation of existing regulations, the impact would be less than significant**,** and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.6 Energy

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?			X	
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?			X	

5.6.1 Discussion

Energy Consumption (a and b)

Energy consumption associated with future construction of the Project would be temporary and short-term. Project design and operation would be required to comply with State Building Energy Efficiency Standards, appliance efficiency regulations, and green building standards. Additionally, the project includes other design features including efficient low-energy lighting, and natural ventilation systems.

The Project would also be required to be built according to City and State energy efficiency standards. Vehicle trips and energy consumption would be less carbon intensive as compared to historic levels due to statewide compliance with future low carbon fuel standard amendments and increasingly stringent Renewable Portfolio Standards.

As concluded in the General Plan EIR, the project would comply with existing State energy standards and would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency. There would be no impact to energy consumption.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.7 Geology and Soils

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:			X	
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.			X	
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?			X	
iv) Landslides?			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
b) Result in substantial soil erosion or the loss of topsoil?			X	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?			X	
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?			X	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?			X	
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			X	

5.7.1 Discussion

Earthquake Faults, Landslides, and Seismic Ground Shaking (a, c and d)

Relevant areas of known or suspected geologic hazards, as shown in General Plan Figure SN-3: Fault Zones, Figure SN-4: Liquefaction Potential and Figure SN-5: Landslide Deposits of the Safety & Noise Element, indicate that subsurface soil conditions in some locations of the Planning Area could be susceptible to geologic and soil impacts.

Goal SN-3 and associated policies of the Safety & Noise Element are designed to protect human life and prosperity and to minimize injury, economic damage, and social dislocation resulting from disasters related to geologic and seismic events. In particular, Policy SN-3.10 Geotechnical Evaluations requires future development in a geologic hazard area, development shall be

approved only after a geotechnical evaluation is completed by a registered geologist as part of the environmental review process.

Additionally, all future development associated with the Project would be required to comply with the California Building Code and Title 15 – Buildings and Construction of the Scotts Valley Municipal Code.

The General Plan EIR concluded that implementation of the above goal and policies, as well as enforcement of the respective City's Municipal Code provisions and State requirements would effectively mitigate potential seismic impacts to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Soil Erosion (b)

Some future development associated with buildout of the General Plan would involve the removal of landscape vegetation and grading activities associated with the construction of buildings, infrastructure, and roads. The loosening and exposure of soil makes it susceptible to erosion by rainfall and wind. Future development would also increase the amount of impervious surfaces, which may affect the natural drainage pattern.

The Project would involve grading activities associated with the construction of buildings, infrastructure, and roads. Grading would largely be limited to the respective project site, which would limit the amount of exposed soil area that would be subject to erosion.

General Plan Policy SN-2.4 Flood Control Facilities requires that all future construction or expansion of existing flood control facilities to protect individual properties shall be permitted only when it can be determined that such measures do not substantially increase the flood or erosion hazards to other properties.

Measures to control erosion would be incorporated into the construction specifications pursuant to the National Pollution Discharge Elimination System (NPDES) requirements for construction. In addition, to comply with the NPDES requirements for construction, projects

involving construction on sites that are one acre or more are required to prepare and implement a Stormwater Pollution Prevention Plan (SWPPP) that specifies how the discharger would protect water quality during construction activities. Compliance with the erosion control ordinances and acquisition of the NPDES General Permit for construction activities would ensure that soil erosion impacts associated with development pursuant to the project would be less than significant.

The General Plan EIR concluded that implementation of the above policy, as well as enforcement of the respective City's Municipal Code provisions and State requirements including acquisition of the NPDES General Permit for construction activities, would effectively mitigate potential soil erosion impacts associated with future development to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Sewage Disposal (d)

All future development associated with the Project would involve disposal of wastewater through the City's existing sanitary sewer system and there would be no septic systems constructed.

Conclusion

No Impact.

Unique Geological Features and Paleontological Resources (e)

Future development could result in the discovery and disturbance of previously unknown or undiscovered paleontological resources. As described in General Plan EIR Impact CUL-1, should evidence of paleontological resources be encountered during grading and construction, adherence to City, State, and federal historic preservation laws, regulations, and codes related to archaeological and paleontological resources would ensure the adequate protection of paleontological resources.

The General Plan EIR concluded that compliance with the respective City, State, and federal regulations would effectively mitigate potential impacts to paleontological resources associated with future development to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.8 Greenhouse Gas Emissions

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			X	
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?			X	

5.8.1 Discussion

Determining significance for Greenhouse Gas (GHG) emissions follows available guidelines from State or local air quality management agencies, where available. However, there is no legally adopted threshold to guide City of Scotts Valley decision-makers in determining what emission levels constitute a significant amount. Rules and policies are being developed by the California

Air Resources Board (CARB), although they are evolving in response to the serious threat of climate change effects and subsequent legislation.

MBARD does not yet recommend any method or threshold for determining significance of climate change impacts or greenhouse gas emissions from a project and its operation. Nonetheless, GHG emissions caused by any project subject to CEQA must be described for a lead agency to determine the significance of impacts.

Generation of GHG Emissions (a and b)

Construction of the project would result in direct emissions of CO_2, N_2O, and CH_4 from the operation of construction equipment and the transport of materials. MBARD does not have a threshold for construction GHG emissions, which would be one-time, short-term emissions and therefore would not significantly contribute to long-term cumulative GHG emissions impacts of the project.

As described in the Open Space & Conservation Element, Goal OSC-5 and associated policies require integrated air quality, land use and transportation planning and promote the increased use of renewable energy sources to reduce the emission of criteria pollutants and greenhouse gases from mobile sources; and to promote building techniques that increase energy efficiency.

Additionally, there are a number of polices and actions that require the City work with relevant local, state, and federal agencies to implementing air quality management plans which are designed in part to reduce greenhouse gas emissions.

The General Plan EIR concluded that implementation of the General Plan would not exceed the criteria for a making a cumulatively considerable contribution to greenhouse gas emissions impacts and global climate change, nor conflict with any GHG plans impacts would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.9 Hazards and Hazardous Materials

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			X	
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			X	
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			X	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?			x	
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?			x	

5.9.1 Discussion

Hazardous Substances (a – d)

Implementation of the Project may result in known and unknown hazardous materials being discovered or encountered at specific project sites.

Until 1980, numerous types of building materials, such as roofing paper, shingles, drywall, drywall texturing, linoleum, and mastic, contained considerable amounts of asbestos. Many of the existing structures in the City were built prior to 1980 and therefore may have friable asbestos containing materials (ACMs). Based on the age of the structures, removal or disturbance of these structures may result in the airborne release of asbestos from ACMs.

In 1978, EPA regulations were adopted prohibiting the use of lead in paints and other construction materials. Therefore, it is likely that many of the older structures contain lead-based paint materials. Future development associated with the Project may include the demolition and removal of some of these structures.

As described in the Safety & Noise Element, Goal SN-4 and associated policies seek to protect human life and prosperity and to minimize injury, economic damage, and social dislocation resulting from disasters related to hazardous materials.

The General Plan concluded that implementation of the General Plan goal and policies, as well as enforcement of the local, State and federal regulations regarding the discover, use and transport of hazards and hazardous materials, would mitigate potential hazards and hazardous materials impacts to a less than significant level and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project

involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Public Airport or Private Airstrip (e)

The City is not located within two miles of a public airport or public use airport, or within the vicinity of a private airstrip.

Conclusion

No Impact.

Emergency Response (f)

General Plan Figure SN-6: Evacuation Routes, which extend along Mount Herman Road and Scotts Valley Drive and major collector streets. As described in the Safety & Noise Element, Policy SN-4.1 required the City to coordinate emergency operations on a local and regional basis. The City's Emergency Operations Plan as well as emergency plans as prepared by other agencies including the Scotts Valley Fire Protection District and Santa Cruz County, form to basis for emergency preparedness and response.

The General Plan EIR concluded that implementation of Policy SN-4.1 would ensure that the City is consistent with local and state emergency plans. Therefore, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.10 Hydrology and Water Quality

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?			X	
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?			X	
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:			X	
i. Result in substantial erosion or siltation on- or off-site?			X	
ii. Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite?			X	
iii. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?			X	
iv. Impede or redirect flood flows?			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?			X	
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?			X	

5.10.1 Discussion

Groundwater Supply and Demand (a and b)

As described in the Open Space & Conservation Element and shown in Figure OSC-2: Watersheds, the Santa Margarita Groundwater Basin (SMGB) is a primary water supply source for Scotts Valley. Two public water agencies, the Scotts Valley Water District (SVWD or District) and the San Lorenzo Valley Water District (SLVWD) serve the Scotts Valley area. The SVWD, in partnership with other local agencies, has actively managed groundwater in the area since the early 1980s in an effort to increase water supply reliability and to protect local water supply sources. In June of 2017 SVWD, SLVWD and the County of Santa Cruz formed the Santa Margarita Groundwater Agency (SMGWA), which is responsible for ensuring the sustainable groundwater management in the SBGB.

As described in the Open Space & Conservation Element, Goal OSC-3 and associated policies seek to preserve surface and ground water supplies, reduce stormwater runoff, and improve water quality in the Planning Area.

The General Plan EIR concluded that with implementation of the Goal OSC-3 and associated policies, enforcement of the local, State, and federal regulations, and on-going sustainable water management practices as implemented by the SVWD, the SLVWD and the SMGWA would help to ensure that depletion of local groundwater supplies or interfere with groundwater recharge are minimized. Furthermore, while future development would result in moderate increase in water demand associated with residential and commercial use, it would not exceed groundwater supply and projections as identified by the SVWD and the SLVWD. Therefore, impacts to groundwater supply and recharge would be less than significant and no mitigation required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project

involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Stormwater Runoff (c and e)

The rate and amount of surface runoff is determined by multiple factors, including the amount and intensity of precipitation; amount of water that enters a watershed; and the amount of precipitation and water that infiltrates to the groundwater.

In cases where a future development project disturbs more than one acre of land, the project applicant is required to submit a Notice of Intent to the State Board and apply for coverage under the State NPDES General Permit for Construction Activities, prepare a Stormwater Pollution Prevention Plan (SWPPP), and submit it for review and approval prior to commencing construction. In addition, some projects may be subject to state Tier 4 Post-Construction Requirements, which requires development projects to use Low Impact Development (LID) features and facilities to detain, retain, and treat site runoff.

State and local regulations also require future development to prepare a Stormwater Control Plan (SCP) that addresses potential impacts from stormwater runoff. The SCP includes project site-specific best management practices (BMPs) to control erosion and sedimentation and maintain water quality in accordance with the current edition of the City of Scotts Valley Stormwater Technical Guide. The BMPs address the construction and maintenance of storm drain inlets, irrigation and use of pesticides, maintenance of hardscapes, and maintenance of underground stormwater facilities.

As described in the Open Space & Conservation Element, Goal OSC-3 and associated policies seek to minimize stormwater runoff due to the increase in impervious surfaces in the Planning Area. Additionally, Policy OSC-3.1 Regional Collaboration – Stormwater requires the City to continue to partner with and support federal, state, and local agencies in regional planning and management initiatives to promote and enhance water quality in Scotts Valley and the region.

The General Plan EIR concluded that given Goal OSC-3 and associated policies, and the fact that future project-specific applicants must comply with local and state regulations regarding construction and operations (e.g. SCP and SWPPP), the impacts from stormwater runoff would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Floodplains, Seiche, Tsunami and Mudflow Related Hazards (d)

The City is not subject to inundation by seiche, tsunami, or mudflow nor located on or near a lake or ocean coastline. Therefore, there would be **no impact**.

5.11 Land Use and Planning

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Physically divide an established community?			X	
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?			X	

5.11.1 Discussion

Physically Divide and Established Community (a)

The City of Scotts Valley is a compact urban community that is surrounded by natural barriers to outward expansion. Developable areas within the City limits are largely built out. As an established community, new development would be considered infill development, both on

limited remaining vacant lands or intensification and/or redevelopment on underutilized parcels.

As described in the Land Use Element, Goal LU-2 and associated policies require the City to maintain a well-defined valley community with boundaries defined by the planning area's natural features and environmental functions. Policy LU-2.2 requires the City to preserve open space and maintain development at the edge of the City limits compatible with surrounding Santa Cruz County land uses.

The General Plan EIR concluded that because future development would be within an established community, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Conflict with Any Land Use Plan or Regulation (b)

As shown in Table LU-1: General Plan Buildout Summary, the General Plan assumes a moderate growth rate that is consistent with actual growth trends over the past 20 + years, as well as projections as identified by the Association of Monterey Bay Area Governments (AMBAG).

The General Plan, by its definition, includes goals, policies, and actions that establish a framework for land use designations and orderly future development consistent with the General Plan's Vision & Guiding Principles. The Scotts Valley Municipal Code provides further development standards that would be applicable to all future development applications.

The General Plan EIR concluded that no substantially new land use designations are proposed, and future development applications would be reviewed for consistency with the General Plan, other relevant City plans, and impacts would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the

Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.12 Mineral Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?			X	
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?			X	

5.12.1 Discussion

There are no active mines or quarries or known mapped oil or gas fields in the City.

Conclusion

No Impact.

5.13 Noise

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project result in:				
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			X	
b) Generation of excessive groundborne vibration or groundborne noise levels?			X	
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?			X	

5.13.1 Discussion

Ambient Noise Levels (a)

Future development associated with the Project would result in temporary increases in ambient noise levels due to construction activities and long-term increases in ambient noise levels due to operations, primarily from traffic.

Construction Noise Levels

Noise-generating construction activity would be reduced by being restricted to daytime hours when sensitive receptors are the least sensitive to noise. The Scotts Valley Zoning Ordinance (Title 17.46.160) exempts noise sources associated with temporary construction activities, provided such activities occur between 8:00 AM and 6:00 PM Monday through Friday; 9:00 AM and 5:00 PM on Saturday; but not on Sundays or federal holidays. While construction noise levels during these hours may temporarily exceed 80 dBA, such exceedances would be

temporary and would not be expected to result in average daytime noise levels that would exceed an 8-hour Leq of 80 dBA, which is the FTA's recommended standard for adverse community reaction.

The General Plan Safety & Noise Element includes contains polices to reduce construction noise. Policy SN-7.15 requires the City to ensure that construction activities are managed to minimize overall noise impacts on surrounding land uses. Policy SN-7.16 requires that where appropriate, particularly when located adjacent to sensitive land uses, construction noise reduction measures to be included as part of project development plans to reduce the effects of construction noise.

Development projects are reviewed on a case-by-case basis, and typical conditions of approval include limiting the day and times of day during which construction and/or heavy construction can be conducted, provision of notification to neighbors regarding construction schedules, and implementation of a process to receive and respond to noise complaints. These are some of the types of measures that would be implemented by the City to manage and minimize construction noise impacts per proposed General Plan policies and City noise regulations described above.

The General Plan concluded that with implementation of the General Plan policies and City regulations that set forth measures to minimize exposure construction noise levels, the increase in temporary noise levels from construction-related activities would be considered less-than-significant and no mitigation is required.

Long-term Noise Levels

As described in the General Plan Safety & Noise Element, future development could result in increased vehicular noise as well as project-level construction-related noise which would primarily occur on vacant and underdeveloped infill sites. As shown in General Plan Figure SN-7: Noise Contours, future noise levels adjacent to major roadways and Highway 17 would remain relatively unchanged as compared to existing conditions, due to the fact that traffic is the most significant contributor to ambient noise levels and minor increase in traffic associated with future development would not cause a significant change in noise levels.

Areas directly adjacent to arterials within the City (i.e., Mt. Hermon Road and Scotts Valley Drive) would experience noise levels at 65 dBA or lower, which is the typical exterior noise level at which the state-mandated interior sound level of 45 dBA could be achieved without specialized structural noise attenuation. Some future development would be located along these arterials roadways but would not be located in areas where future noise levels would exceed noise or land use compatibility standards.

If ambient noise levels in the area of a future development project exceed "normally acceptable" thresholds as shown in Table SN-2: Noise Increase Standards of the Safety and Noise Element, the City would require a detailed analysis of feasible noise reduction

requirements. Furthermore, as needed, noise insulation features must be included in the design of such projects to reduce exterior noise levels to meet the acceptable thresholds, or, for uses with no active outdoor use areas, to ensure maintenance of acceptable interior noise levels for the proposed land use.

The Safety & Noise Element includes goals, policies and actions that set forth measures to avoid and minimize adverse impacts on noise. In particular, Policy SN-7.5, requires that new developments that are conditionally acceptable or increase the day-night noise level by more than the levels shown in Table SN-2: Noise Increase Standards are required to conduct a noise study to determine that the appropriate noise attenuation design measures have been incorporated.

The General Plan EIR concluded that with implementation of the General Plan, as well as future project-level environmental review, exposure to long-term noise levels would be considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Exposure to Groundborne Vibrations (b)

Project construction can generate varying degrees of groundborne vibration, depending on the construction procedure and the construction equipment used. Operation of construction equipment generates vibrations that spread through the ground and diminish in amplitude with distance from the source.

General Plan EIR Table ER-N-1: Typical Vibration Levels for Construction Equipment, identifies vibration velocities from typical heavy construction equipment operation range from 0.003 to 0.089 inch-per-second peak particle velocity (PPV) at 25 feet and 0.000 to 0.011 inch-per-second peak particle velocity (PPV) at 100 feet from the source of activity. The General Plan EIR concluded at these distances; construction activities would be well below the 0.2 inch-per-second PPV significance threshold. Therefore, vibration impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Airport or Private Airstrip Noise (c)

The Project site is not located within any airport noise impact contours and not located within the vicinity of any private air strip.

Conclusion

No Impact.

5.14 Population and Housing

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			X	
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?			X	

5.14.1 Discussion

Unplanned Population Growth (a)

The General Plan is a long-term planning document that is used by the City of Scotts Valley for orderly growth and development over the next 20 + years. Based on the General Plan's Vision Statement and Guiding Principles (see Introduction) and development capacity analysis as described in the Land Use Element, the General Plan assumes a moderate growth rate that is consistent with actual growth trends over the past 20 + years, as well as population, housing and employment projections as identified by the Association of Monterey Bay Area Governments (AMBAG).

The development capacity analysis provides a reference point for how and where such growth would be accommodated, and how the City and other public agencies would accommodate such growth, particularly with respect to infrastructure requirements (e.g., roads, water, sewer), and public services (e.g., police, fire, and parks & recreation).

Traffic and circulation, air quality, increases in noise, and demands upon public services are the primary population-based effects. These potential impacts are addressed in the respective environmental resource sections of this Initial Study.

The General Plan concluded that through local planning, as demonstrated in the Land Use Element, and implementation of ordinances, regulations, fees, system upgrades, and various environmental conservation measures, the physical environmental effects from population growth would be effectively reduced to less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Displacement of People or Housing

As an established community, new development accommodated by the Project would be considered infill development, both on limited remaining vacant lands or intensification and/or redevelopment on underutilized parcels. Thus, Project development would be within an

established community and would not displace a substantial number of existing people or housing.

Conclusion

No Impact.

5.15 Public Services

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project result in:				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i) Fire protection?			X	
ii) Police protection?			X	
iii) Schools?			X	
iv) Parks?			X	
v) Other public facilities?			X	

5.15.1 Discussion

Fire and Police Services (a-i and -ii)

Fire and police services in the City are provided by the Scotts Valley Fire Protection District and the Scotts Valley Police Department.

The General Plan Community Services & Facilities Element found that future growth accommodated by the General Plan would not reduce response times or require new or physically altered fire protection facilities that could result in significant physical impacts. Furthermore, Goal CSF-2 and associated policies set forth measures to provide high-quality emergency services for Scotts Valley and avoid and minimize adverse impacts on police and fire protection services.

The General Plan EIR concluded that given the modest population increase over time and implementation of Goal CSF-2 and associated policies, indirect impacts on police and fire protection services would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Schools (a-iii)

The Scotts Valley Unified School District (SVUSD) operates the public school system within City of Scotts Valley. SVUSD administers two elementary schools (Vine Hill Elementary and Brook Knoll Elementary), Scotts Valley Middle School, and Scotts Valley High School.

General Plan Goal CSF-4 and associated polices set forth measures to provide high-quality educational and training facilities and programs. In particular, Policy CSF-4.3 Adequate School Facilities encourages communication and cooperation between the City, applicants for residential development projects, and appropriate educational districts and agencies to ensure that adequate, safe school facilities and services are planned to provide a quality educational environment for anticipated growth.

Furthermore, as required by State and City requirements (Chapter 3.32 – School Facilities Dedication and Fees), future development would be required to pay applicable SB 50 school impact fees for residential and commercial development. Payment of these fees and ongoing revenues from retail sales taxes, transient occupancy taxes, and annual real estate taxes, would help fund capital and operating costs associated with additional school services.

The General Plan EIR concluded that under the provisions of SB 50, a project's impacts on school facilities are fully mitigated via the payment of the requisite new school construction

fees established pursuant to Government Code Section 65995. Therefore, this impact is considered less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Parks and Recreation Facilities (a-iv)

The City of Scotts Valley Parks and Recreation Department provides parks, recreation facilities, and recreation programs for the community. The Parks and Recreation Department maintains seven parks and recreational facilities in the City.

General Plan Goal CSF-3 and associated policies of the Community Services & Facilities Element set forth measures to provide ample, safe, and well-maintain park and recreation facilities and programs that serve the needs of the community.

Additionally, per Chapter 16.35 – Dedication of Land for Parks and Recreational Purposes, future development projects are required to provide private and common open space on the project site and/or pay in-lieu fees for the provision of recreational resources where deficient from project site open space.

The General Plan concluded that implementation of the General Plan would not result in the substantial deterioration of existing recreational facilities or parks and would not require the construction of new facilities or parks. Therefore, indirect impacts on park and recreation facilities would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Other Public Facilities

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.16 Transportation

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?			X	
b) Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?			X	
c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
intersections) or incompatible uses (e.g., farm equipment)?				
d) Result in inadequate emergency access?			X	

5.16.1 Discussion

Conflict with City Policies or Programs(a)

The Mobility Element of the General Plan is the overall policy document that guides mobility planning for the City. Associated plans, including the City's Bicycle Transportation Plan, is consistent with the intentions of the General Plan. The General Plan EIR concluded that there would be no conflict with City policies or programs and therefore there would be no impact.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Increase Vehicle Miles Travelled (b)

Vehicle Miles Traveled (VMT) is a measure of total vehicular travel that accounts for the number of vehicle trips and the length of those trips. The City of Scotts Valley's VMT Implementation Guidelines (Kimley-Horn and Associates, August 2023) establishes VMT significance criteria for CEQA analysis.

The VMT Implementation includes screening criteria to avoid unnecessary analysis and findings for non-significant transportation impacts. Small projects that generate less than 110 trips per day are exempt from VMT analysis. However, upon issuance of the building permit, the project would be required to pay a City traffic impact fee.

The General Plan includes policies and programs designed to reduce VMT to a reasonable extent. In particular, Policy M-3.1 Reduce Vehicle Miles Traveled (VMT) requires the City to work in cooperation with the Santa Cruz County Regional Transportation Commission, the Association of Monterey Bay Area Governments, and Santa Cruz County to reduce VMT. Policy M-3.18 Vehicle Miles Traveled Standards and CEQA Evaluation and Policy M-3.19 Projects with Significant Vehicle Miles Travelled Impacts requires to City to evaluate General Plan land use designation changes, zone changes, and discretionary development for their individual (i.e., project-specific) and cumulative transportation impacts based VMT under CEQA and prohibit such projects unless:

There are no feasible mitigation measures available that would reduce the impact to a less than significant level; and the City's decision-making body, after balancing as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of the project against its unavoidable transportation impact and any other environmental risks, determines that the benefits of the project outweigh the unavoidable adverse environmental impacts and adopt a statement of overriding considerations pursuant to CEQA.

Furthermore, the City's VMT Implementation Guidelines identifies strategies to reduce VMT through a variety of methods. These include but are not limited to:

- Facilitating the efficient use of existing transportation facilities;
- Striving to provide viable modal choices that make driving alone an option rather than a necessity;
- Supporting variable work schedules to reduce peak period VMT, and
- Providing more direct routes for pedestrians and bicyclists.

While the above referenced goals and policies, and the City's VMT Implementation Guidelines, identifies strategies to reduce VMT, the General Plan EIR concluded that impacts associated with implementation of the General Plan would not be reduced to less than significant due to the increased development, new roadways, and increased use of the City's and regional transportation system. While project-level impact mitigation shall be analyzed to reduce the significance of VMT-related impacts and the City VMT Implementation Guidelines will be continually improved and innovated to require VMT reduction to the extent feasible, this impact would be significant and unavoidable.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals,

policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

It is noted that impacts associated with implementation of the Project would not be reduced to less than significant due to the increased development, new roadways, and increased use of the City's and regional transportation system. While project-level impact mitigation shall be analyzed to reduce the significance of VMT-related impacts and the City VMT Implementation Guidelines will be continually improved and innovated to require VMT reduction to the extent feasible, this impact would be remain significant and unavoidable. Therefore, there would be **no new impact**.

Roadway Hazards and Emergency Access (c and d)

Implementation of the General Plan would not directly result in new development. The General Plan does not include new roads or road alignments and thus would not create or increase hazards due to a road or intersection design. Furthermore, Goal M-4 through Goal M-7 and associated policies requires the City to provide a roadway, bicycle, and pedestrian facilities that enhances the community support safe and functional mobility. Therefore, the General Plan EIR concluded that there would be no impact.

Access via public roadways to future development associated with the Project would remain unchanged and would be adequate for emergencies.

Conclusion

N**o Impact**.

5.17 Tribal Cultural Resources

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?			X	
ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?			X	
b) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
that is: i) Listed or eligible for listing in the California				

5.17.1 Discussion

Tribal Consultation (a and b)

The California Public Resources Code section 21084.2 establishes that "[a] project with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource is a project that may have a significant effect on the environment." The requirements for review of impacts to tribal cultural resources (TCR) require that the City provide notice of specific development projects to local Native American tribes in accordance with AB 52 and to determine whether tribal cultural resource(s) are present within the project area, and if so, whether or not those resources would be significantly impacted by the project.

Assembly Bill (AB) 52 requires that California lead agencies consult with a California Native American tribe that is traditionally and culturally affiliated with the geographic area of a project, if so, requested by the tribe. AB 52 also specifies that a project with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource (TCR) is a project that may have a significant effect on the environment. Defined in Section 21074(a) of the Public Resources Code, a TCR is a site feature, place, cultural landscape, sacred place, or object, which is of cultural value to a California Native American tribe and is either listed in or eligible for listing in the California Register of Historical Resources or a local historic register, or the lead agency, at its discretion, chooses to treat the resource as a TCR.

Because the General Plan is a programmatic document that does not propose specific development projects, no consultation is required.

The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Thus, it is not possible at this time to conduct an assessment of potential site-specific tribal cultural resource impacts relative to future development proposals associated with implementation of the Project. Instead, a case-by-case review of future development proposals associated with implementation of the Project would be carried out to confirm the absence or presence of tribal cultural resources, as applicable, and that the future development proposals are consistent with all applicable General Plan goals and policies and Municipal Code regulations relative to tribal cultural resources.

Conclusion

No Impact.

5.18 Utilities and Service Systems

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Would the project:				
a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?			X	
b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?			X	
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			X	
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?			X	
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?			X	

5.18.1 Discussion

Utilities and Treatment Facilities (a and c)

Existing water, sanitary sewer (wastewater, sewer), storm drain, electrical, natural gas, and telecommunications facilities exist in the City of Scotts Valley.

The General Plan EIR concluded that the City and their affiliated service providers have adequate capacity to serve anticipated growth associated with the implementation of the General Plan. No new or expanded water or wastewater treatment facilities, storm drainage, or solid waste disposal facilities and impacts would be less than significant and no mitigation is required.

Future development proposals would be required to comply with the applicable water supplier's rules and regulations regarding water connection, service, and conservation, as well as the Scotts Valley Fire Protection District requirements relative to the size of water lines and systems necessary to provide adequate fire flow service to development.

Future development proposals would also be required to install or relocate, as applicable, on-site and off-site water, wastewater, storm drain, street, electricity, natural gas, and telecommunications infrastructure to serve the development.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Water Supply (b)

State law requires an urban water supplier (supplier), providing water for municipal purposes to more than 3,000 urban connections/customers or providing more than 3,000 acre-feet annually, to adopt an Urban Water Management Plan (UWMP) every five years demonstrating water supply reliability in normal, single dry, and multiple dry water years.

According to the joint San Lorenzo Valley Water District and Scotts Valley Water District's 2020 Urban Water Management Plan (UWMP), metered water demand was 1,333 afy. 2020 water demand was 1,393 afy. By 2040, the SVWD projects a net surplus of 177 acre-feet per year

during the normal year, 164 acre-feet per year during the single, and 160 acre-feet per year during the fifth year of a multiple dry-year event.

The annual yield for the Scotts Valley groundwater management area of the Santa Margarita Groundwater Basin is estimated at 2,600 afy and the yield is shared among SVWD, SLVWD, and other private well pumpers. Regardless, the projected SVWD 2035 demand uses the 1994 General Plan development capacity projections which are greater than the General Plan and would not exceed the demand of projections of the SVWD.

The General Plan EIR concluded that projected future water demand would not exceed the potable system capacity and no new infrastructure in support of the new development would be required and impacts would be less than significant and no mitigation is required.

Adoption and implementation of the Project would not adversely affect the ability of the domestic water providers - SVWD or the SLVWD - to have sufficient water supplies available during normal, dry, and multiple dry year conditions for future development associated with implementation of the Project.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Solid Waste (d and e)

The City of Scotts Valley Uses GreenWaste Recovery, a private contractor, provides weekly collection of garbage, recyclable materials, and yard trimmings for residents and businesses. Waste is transported to the Monterey Peninsula Landfill, which is operated by ReGen Monterey and is located in Marina in Monterey County. The landfill has a maximum capacity of 49,700,000 cubic yards of solid waste, with approximately 48,560,000 cubic yards of remaining capacity and is permitted to receive 3,500 tons of solid waste per day (CalRecycle, 2020). According to ReGen, the landfill has enough capacity for more than 100 years of waste disposal.

General Plan Goal CSF-1 and associated policies set forth measures to provide reliable and cost-effective water, wastewater, and solid waste management services that is sustainably managed. The General Plan EIR concluded that the City and their affiliated service providers have adequate capacity to serve anticipated growth associated with the implementation of the

General Plan. No new or expanded solid waste disposal facilities and impacts would be less than significant and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

5.19 Wildfire

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?			X	
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?			X	
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may			X	

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
result in temporary or ongoing impacts to the environment?				
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?			X	

5.19.1 Discussion

Impair an Adopted Emergency Response/Evacuation Plan (a)

Similar to the no impact conclusions in the General Plan EIR, implementation of the Project would not directly result in new development nor significant change existing land uses. Policy CSF-2.6: Emergency Preparedness Planning requires the City to maintain an emergency operations plan and emergency operations center to prepare for actual or threatened conditions of disaster or extreme peril.

Conclusion

No Impact.

Wildfire Risks (b)

Similar to the conclusions in the General Plan EIR, implementation of the Project would not directly result in new development nor significant change existing land uses. Goal SN-1 and associated policies set forth measures to human life and prosperity and to minimize injury, economic damage, and social dislocation resulting from disasters related to fire. In particular:

Policy SN-1.6: Fire Protection Problem Areas requires that in fire protection problem areas, development shall be permitted only after mitigation measures satisfactory to the Scotts Valley Fire District are developed to prevent or control spread of fire and provide life safety to occupants as recommended by the fire district.

Policy SN-1.7: Fire Protection Management requires the continued operation of California Department of Forestry and Fire Protection (CalFire) programs for fuel breaks, brush management, controlled burning, re-vegetation, and fire roads.

Policy SN-1.13: Fire Safety Systems requires the City, in cooperation with the fire district, to require that all buildings constructed include fire safety features, such as automatic fire

sprinkler system, class "C" or better roof cover for structures in the non-wildland fire hazard area/Local Responsibility Area (LRA), Class "B" or better roof covering for moderate or high wildland fire hazard area/ State Responsibility Area (SRA), fire detection, and alarm systems.

In February of 2025, California issued a revised map identifying Fire Hazard Severity Zones (FHSZ) in Local Responsibility Areas for the City of Scotts Valley. As shown in Figure 6 Local Responsibility Area Fire Hazard Severity Zones, upland areas surrounding the more urbanized valley floor are identified as "High" or "Moderate" FHSZs and will require compliance with General Plan Policy SN-1.13 and other applicable City and State fire protection requirements.

The General Plan EIR concluded that given the fact that the City is an established urban community that is largely built out and that the General Plan includes goals and policies to minimize injury, economic damage, and social dislocation resulting from disasters related to fire, impacts would be less than significant and no mitigation is required.

Future development associated with the Project would expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands. Implementation the relevant General Plan policies would help reduce impacts.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

Installation or Maintenance of Infrastructure That May Exacerbate Fire Risk (c and d)

As noted above, the General Plan includes goals, policies, and actions relative to state responsibility areas.

The California Department of Forestry and Fire Protection (CAL FIRE) is focused on fire protection and stewardship of over 31 million acres of California's privately-owned wildlands. Preventing wildfires in the State Responsibility Area (SRA) is a key component of CAL FIRE's mission, and in more recent decades, CAL FIRE has adapted to the evolving destructive wildfires and succeeded in significantly increasing its efforts in fire prevention. CAL FIRE's Fire Prevention Program consists of multiple activities including wildland pre-fire engineering, vegetation management, fire planning, education and law enforcement. Typical fire prevention projects

include brush clearance, prescribed fire, defensible space inspections, emergency evacuation planning, fire prevention education, fire hazard severity mapping, and fire-related law enforcement activities. The Office of the State Fire Marshall has the responsibility for Fire and Resource Assessment Program (FRAP), inclusive of the fand preparing the Fire Hazard Severity Zone (FHSZ) mapping.

CAL FIRE has mapped the relative wildfire risk in areas of large population by intersecting residential housing density with proximate fire threat according to three risk levels, namely Moderate, High, and Very High. Wildfires are large-scale brush and grass fires in undeveloped areas. As shown in General Plan EIR Figure SN-1: Fire Hazard Area, portions of the hillside areas of the City are located in Fire Hazard Areas within a Local Responsibility Area (LRA). Per the updated CAL Fire Santa Cruz County State Responsibility Area (SRA) Fire Hazard Severity Zones dated June 15, 2023, the City of Scotts Valley is not located within a Local SRA but is located within a Fire Protection Responsibility Area (Non-SRA) – Local Responsibility Area. [2] The City of Scotts Valley is outside a State Responsibility Area (SRA) per Fire Hazard Severity Zones viewer in State Responsibility Area. [3]

The General Plan EIR concluded that under extreme conditions such as a lightening fire, or severe fire conditions due to a prolonged drought, a fire(s) could occur in the hillsides within the Planning Area and cover a broad that could potentially result in downstream flooding or landslides, post-fire instability, or drainage changes. Such conditions would be monitored and managed by the Scotts Valley Fire District, Cal Fire, and Santa Cruz County, and are not a direct impact associated with future development under the General Plan. Therefore, impacts would be less than significant, and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.

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[2] CAL FIRE, Fire Hazard Severity Zones in State Responsibility Area - Santa Cruz County (ca.gov), accessed March 27, 2025.
[3] CAL FIRE, Fire Hazard Severity Zones (ca.gov), accessed March 27, 2025

5.20 Mandatory Conclusion of Significance

ENVIRONMENTAL IMPACTS Issues	New Potentially Significant Impact	New Impact Requiring Mitigation	No New Impact / No Impact	Reduced Impact
Does the project:				
a) Have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			X	
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?			X	
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?			X	

5.20.1 Discussion

As discussed in the individual sections, the Project would not degrade the quality of the environment, including effects on animals or plants.

As described in the Biological Resources section, the project would comply with the City of Scotts Valley Zoning Ordinance Section 17.44.080 Tree Protection Regulation which regulates the protection and removal of protected trees.

Consistent with Section 17.44.130 – Cultural Resource Protection, all future development would be subject to City review to protect the interest of the public by providing for the identification, protection, enhancement, perpetuation and use of archaeological resources and sites within the City that reflect special elements of the City's prehistoric and historic archaeological heritage. This includes retaining a Professional Archaeologist on an “on-call” basis during ground disturbing construction to review, identify and evaluate any potential cultural resources that may be inadvertently exposed during construction.

As described in the environmental resource sections of this Initial Study, the project would not have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly.

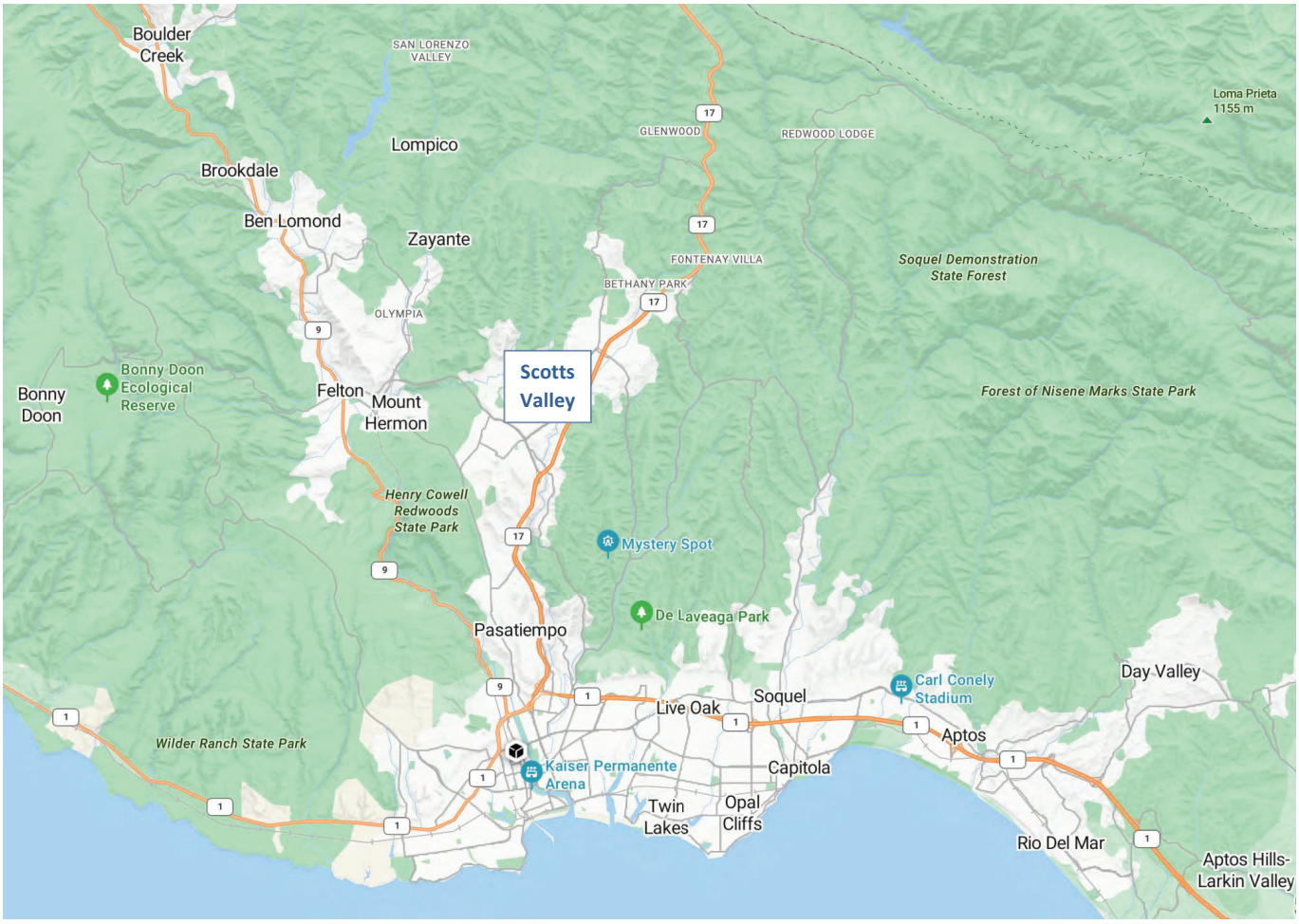
The Project would result in temporary air quality and noise impacts during construction. With the implementation of the identified Standard Conditions of Approval, and consistency with adopted City policies, construction impacts associated with future development would be mitigated to a less than significant level. As described above, these impacts would be temporary, and the project would not have cumulatively considerable impacts on air quality and noise impacts.

The Project would not cause a significant impact on the environmental resources and would not contribute to cumulative impacts to these resources. Therefore, the project would not cause a cumulatively considerable impact and no mitigation is required.

Implementation of the Project would result in a relatively minor increase in allowable density and be consistent with buildout-projections as identified in the General Plan. The Project involves policy-level documents, and as such, does not include any site-specific development designs or proposals. Future development proposals associated with implementation of the Project would be required to comply with: 1) all applicable Scotts Valley General Plan goals, policies, and actions, 2) Federal, State and local regulations and development standards, 3) project- specific conditions and mitigation measures to reduce potential impacts.

Conclusion

No New Impact. The changes associated with the Project would not result in any new impacts or increase the severity of impacts in this regard.



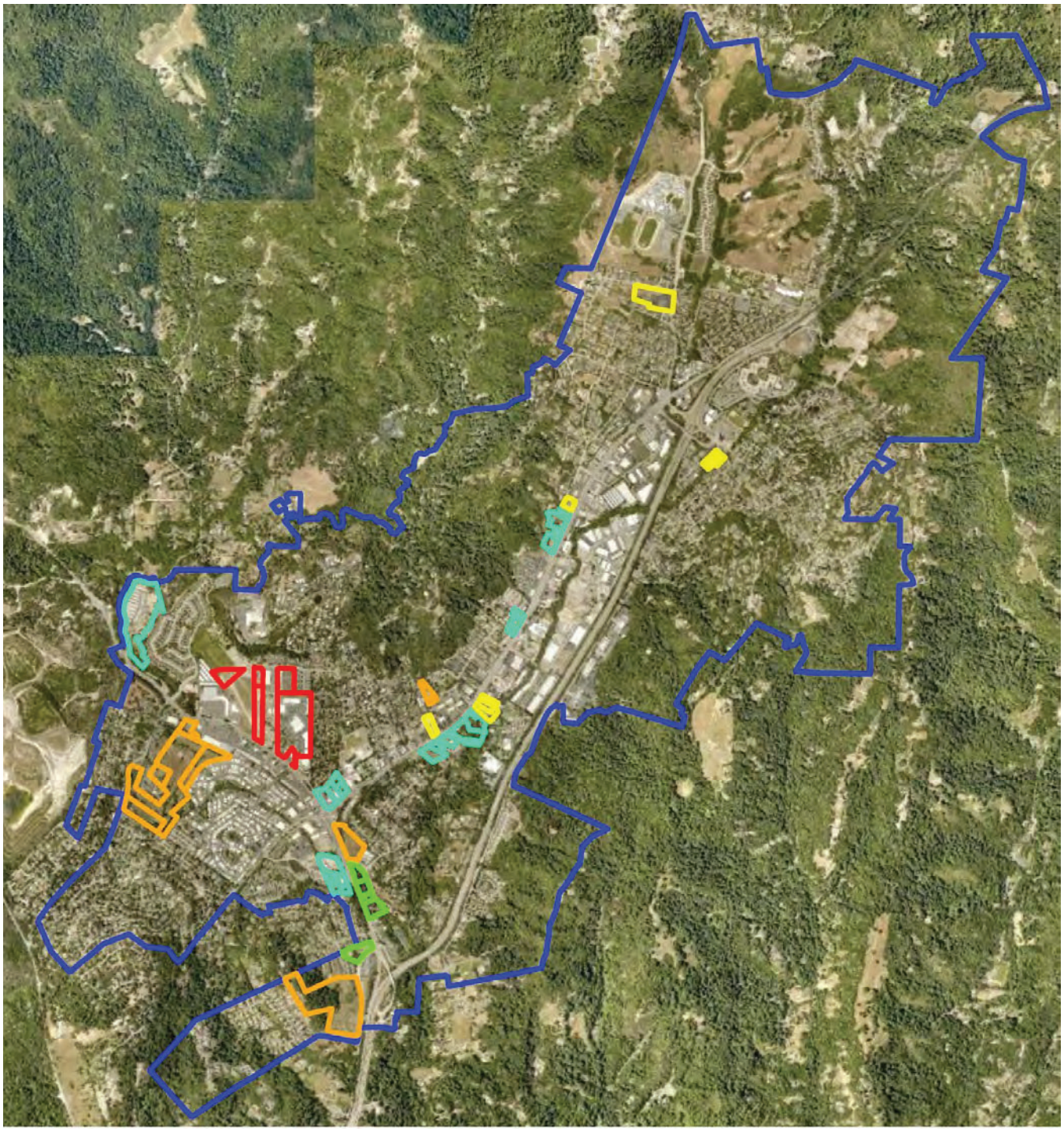
Source: Microsoft Bing Maps, 2025

Not to scale

Figure 1 Regional Location

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



Site Categories

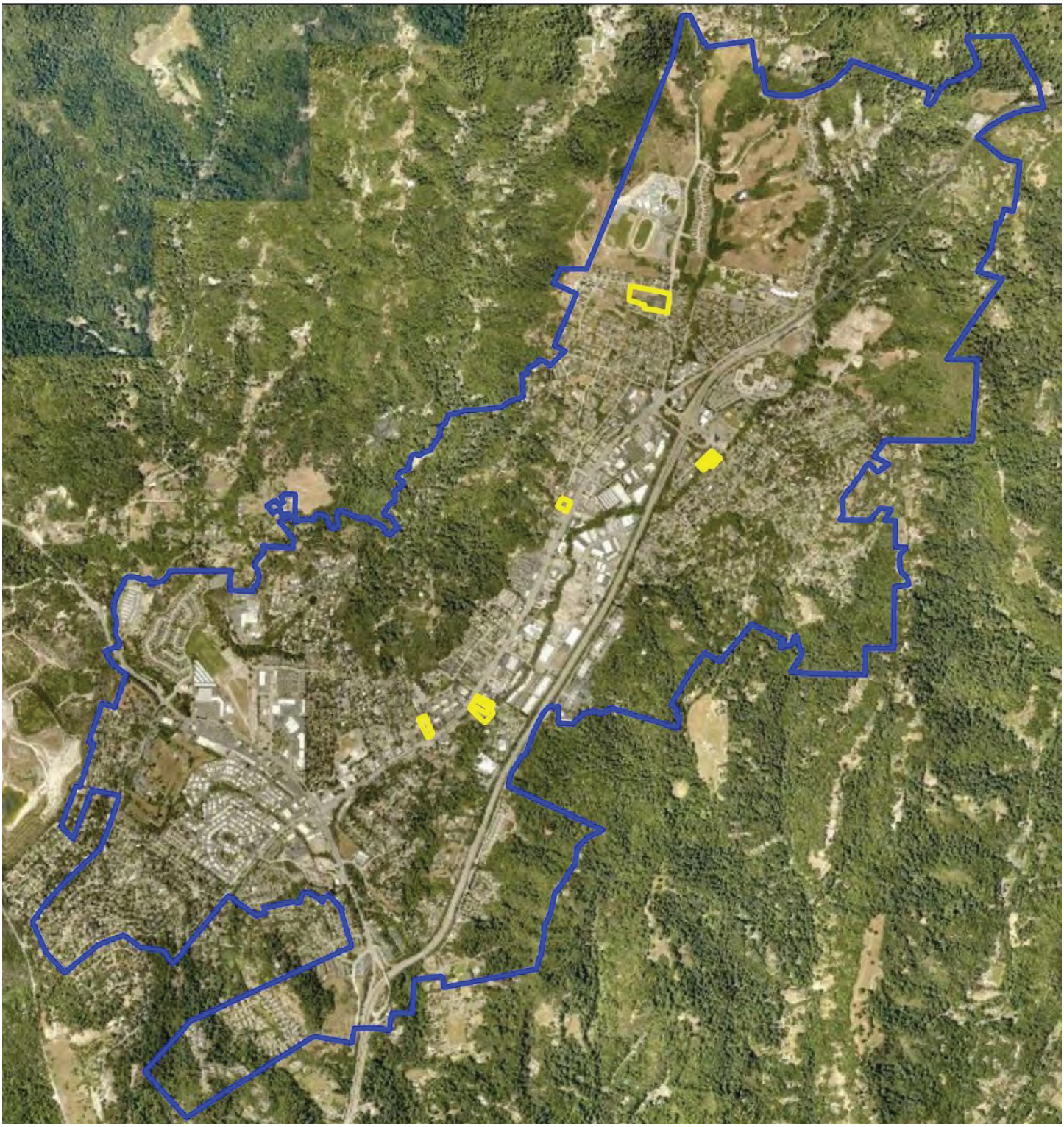
- Pipeline Project
- Town Center
- Existing Residential Capacity
- Mixed-Use Rezone
- Residential Rezone

Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

Not to scale

Figure 2: 6th Cycle Housing Element Sites Inventory – All Sites

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031
Initial Study



Residential Rezone

Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

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Figure 3 Residential Rezone Sites

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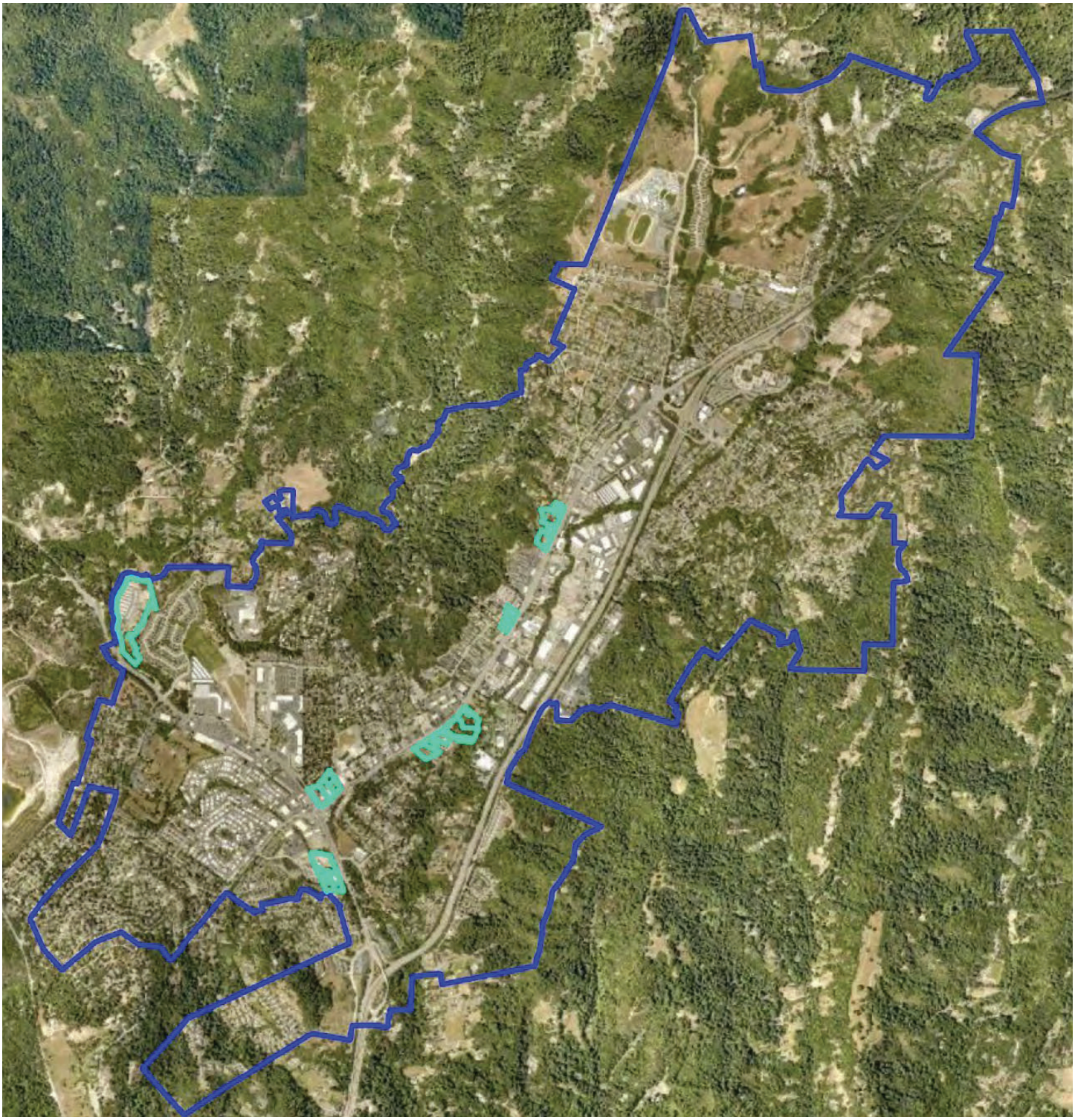
Initial Study



Mixed-Use Rezone

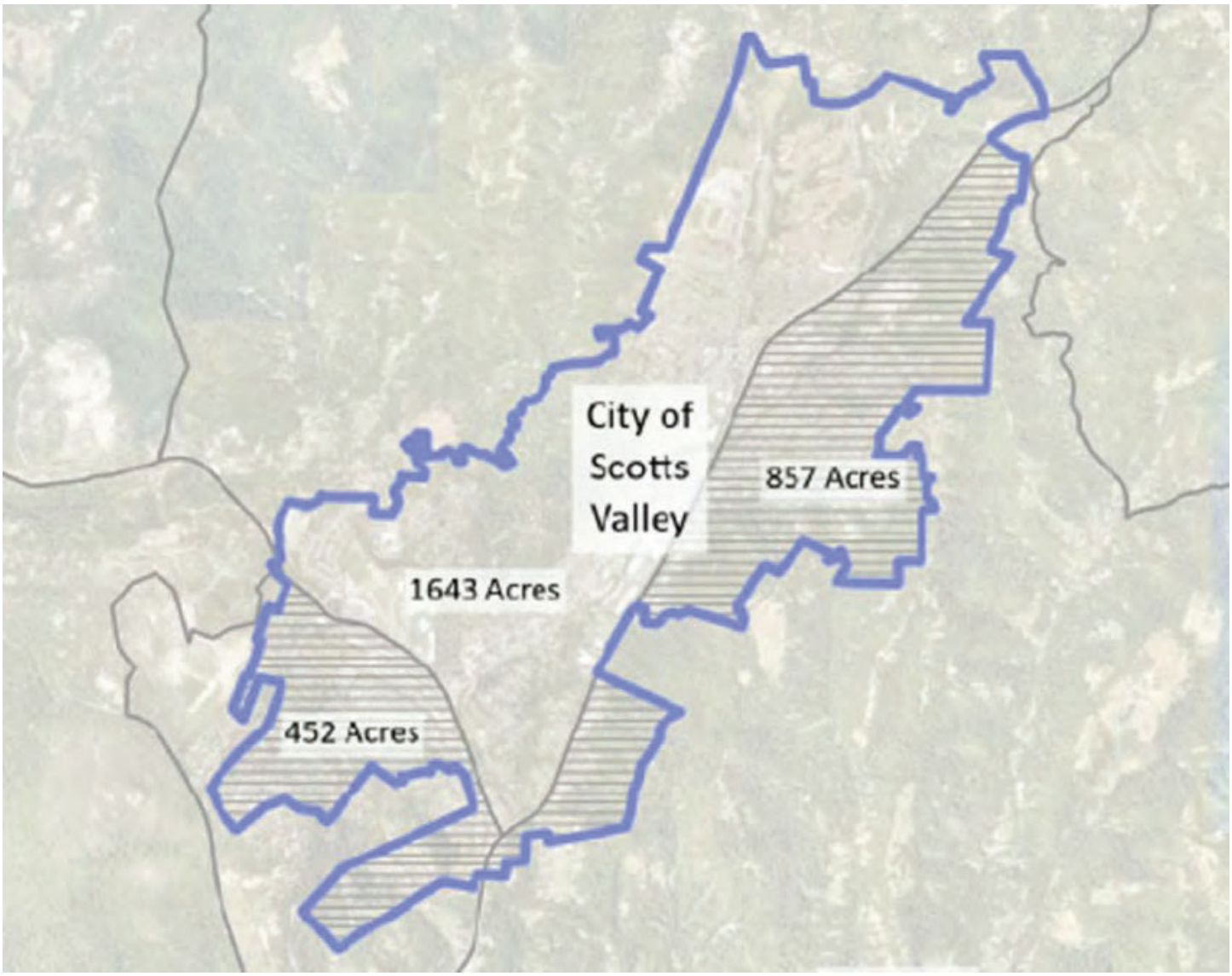
Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

Not to scale

Figure 4 Mixed-Use Rezone Sites

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



Source: City of Scotts Valley 6th Cycle Housing Element 2023-2031, 2023

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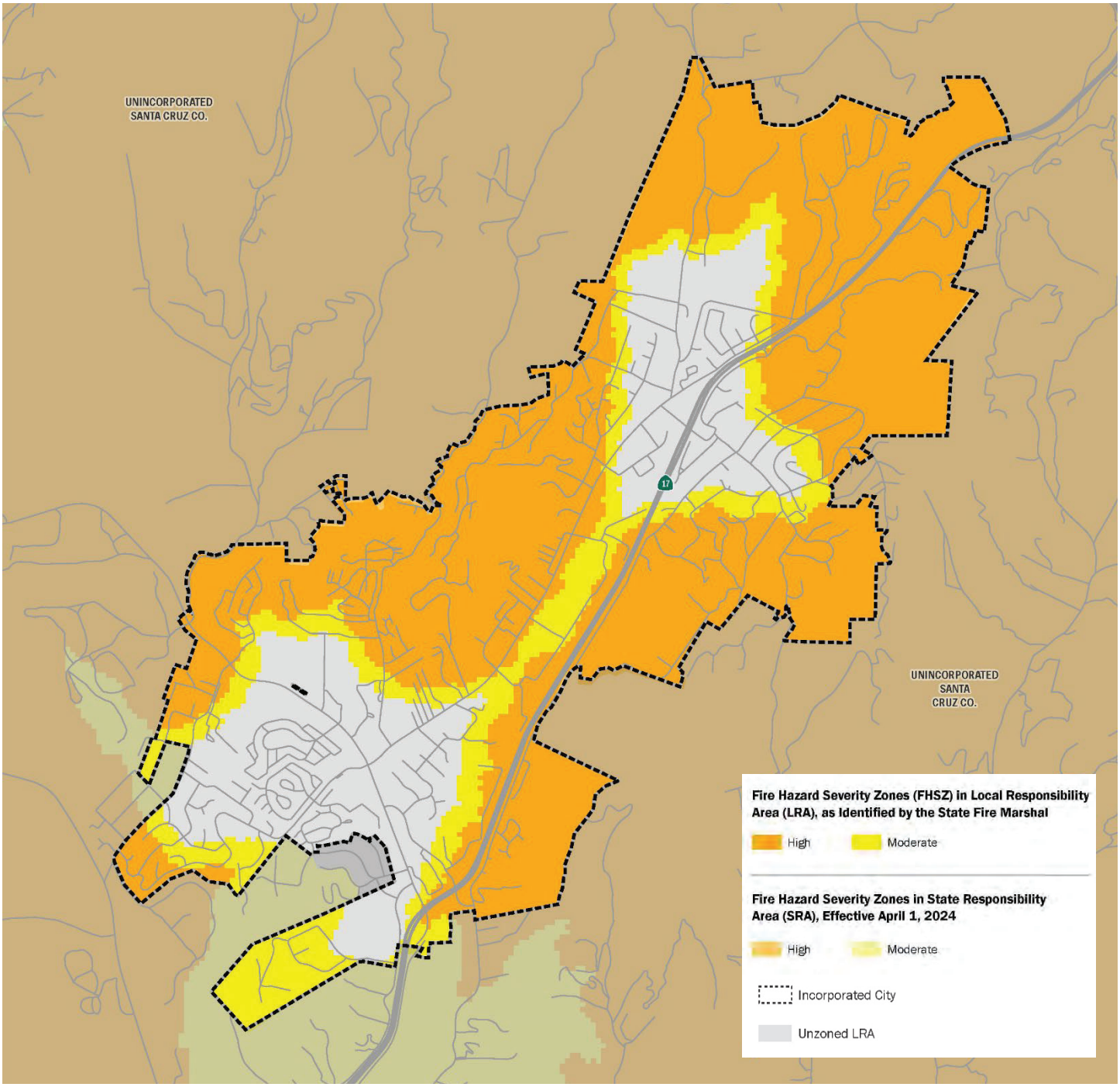
Figure 5 Racially Concentrated Areas of Affluence (RCAAs)

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031

Initial Study



Source: Cal Fire, 2025

Not to scale

Figure 6 Local Responsibility Area Fire Hazard Severity Zones

Addendum to the General Plan EIR for the 6th Cycle Housing Element 2023-2031
Initial Study

Regular Agenda Item No. 1
3/13/2025 PC Mtg.

City of Scotts Valley
PLANNING COMMISSION
STAFF REPORT

Date:	March 13, 2025
Location:	City-wide
General Plan/Zoning:	All designations/zones
Request:	Hold study session to provide input on Zoning Ordinance amendments to implement Housing Element programs
Staff Planner:	Ben Noble, Consultant

STAFF RECOMMENDATION

The City is preparing amendments to the Zoning Ordinance to implement Housing Element programs. Staff requests Planning Commission feedback on a recommended approach to these amendments.

BACKGROUND

On December 20, 2023, the City Council adopted the 2023-2031 Housing Element of the General Plan (Housing Element). The Housing Element is the foundation for City housing policy as required by state law. The Housing Element includes programs with actions that the City must complete within a specified timeframe.

On December 4, 2024, the City Council adopted Zoning Ordinance amendments required by the Housing Element to be completed in 2024. These amendments addressed accessory dwelling units, by-right development, design review criteria, and other topics.

The Housing Element requires the City to complete additional Zoning Ordinance amendments in 2025. These include amendments to remove residential development constraints, incentivize development on large lots, incentivize lot consolidation, implement fair housing laws, and other topics. Further amendments that must be completed in 2026 include housing opportunity site rezoning and inclusionary housing ordinance revisions.

DISCUSSION

City staff is in the process of drafting the Zoning Ordinance amendments required by the Housing Element. Later this year, the Planning Commission will review all Zoning Ordinance amendments which must be completed in 2025.

To assist with the Zoning Ordinance amendment drafting process, staff requests preliminary Planning Commission feedback on amendments that address the following three topics:

1. Rezonings to Meet the RHNA
2. Residential Development Standards
3. Affirmatively Furthering Fair Housing

For each topic, the discussion below provides background information and proposes an approach. Staff request Planning Commission feedback on the proposed approach for each topic. Staff will use this input to help prepare draft Zoning Ordinance amendments for Planning Commission review at a future meeting.

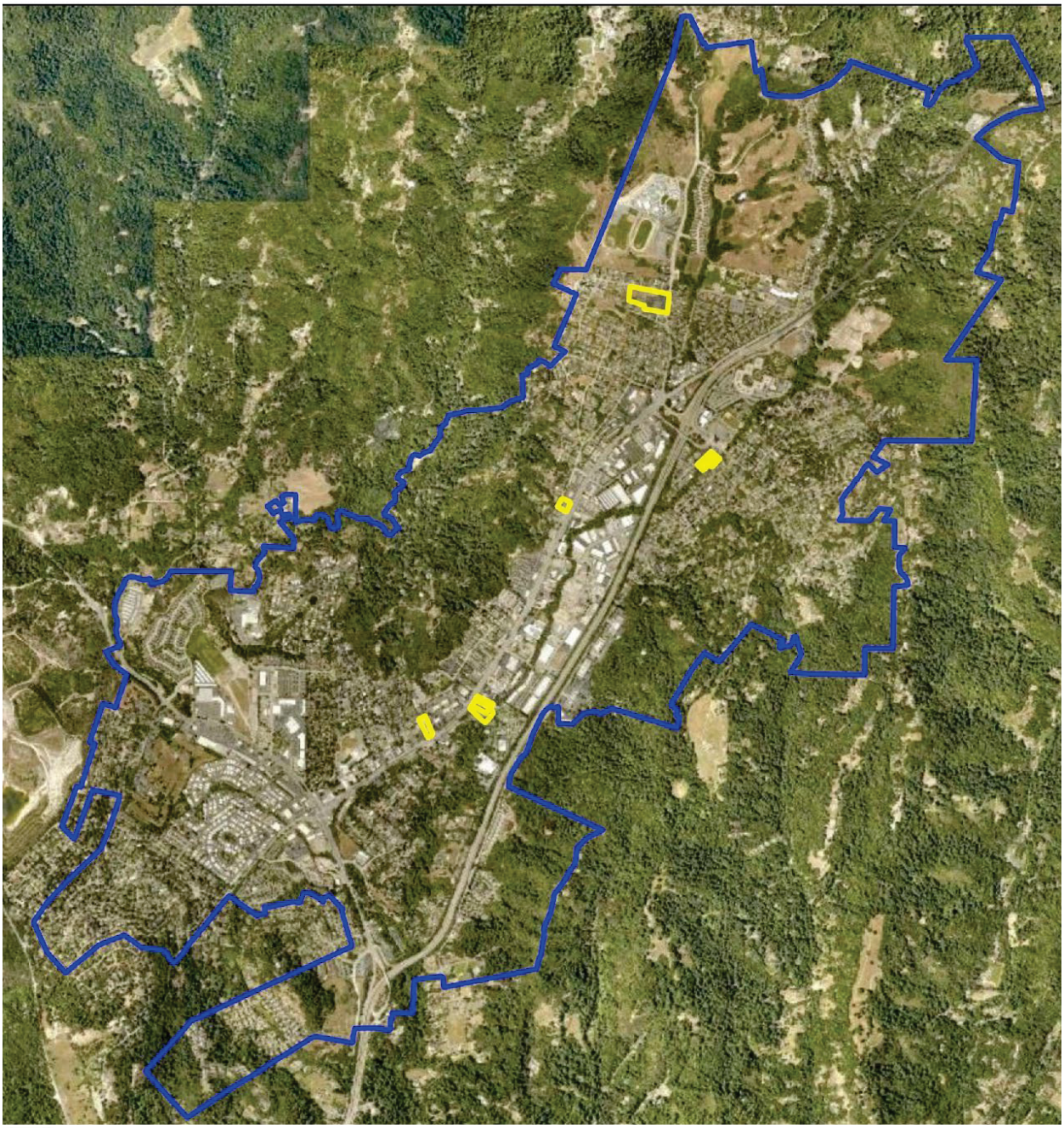
Topic 1: Rezonings to Meet the RHNA

Scotts Valley has a regional housing needs allocation (RHNA) of 1,220 units for the 2023-2031 planning period. State law requires the Housing Element to identify adequate sites to accommodate this RHNA across all income levels. To provide adequate sites, Housing Element Program H-1.1 requires the City to rezone 35 properties to allow a residential density of 40 units per acre.

As shown in Figures 1 and 2, seven of these sites are “residential rezones” and 35 sites are “mixed-use rezones.” On a residential rezone site, the City must allow residential-only development (no commercial component required). On a mixed-use rezone site, the City may require residential development to include a commercial component but must allow projects with up to 70 percent residential floor area. On all rezone sites, the City must permit up to 40 dwelling units per acre with development standards (e.g., building height, lot coverage, setbacks) that allow for this density.

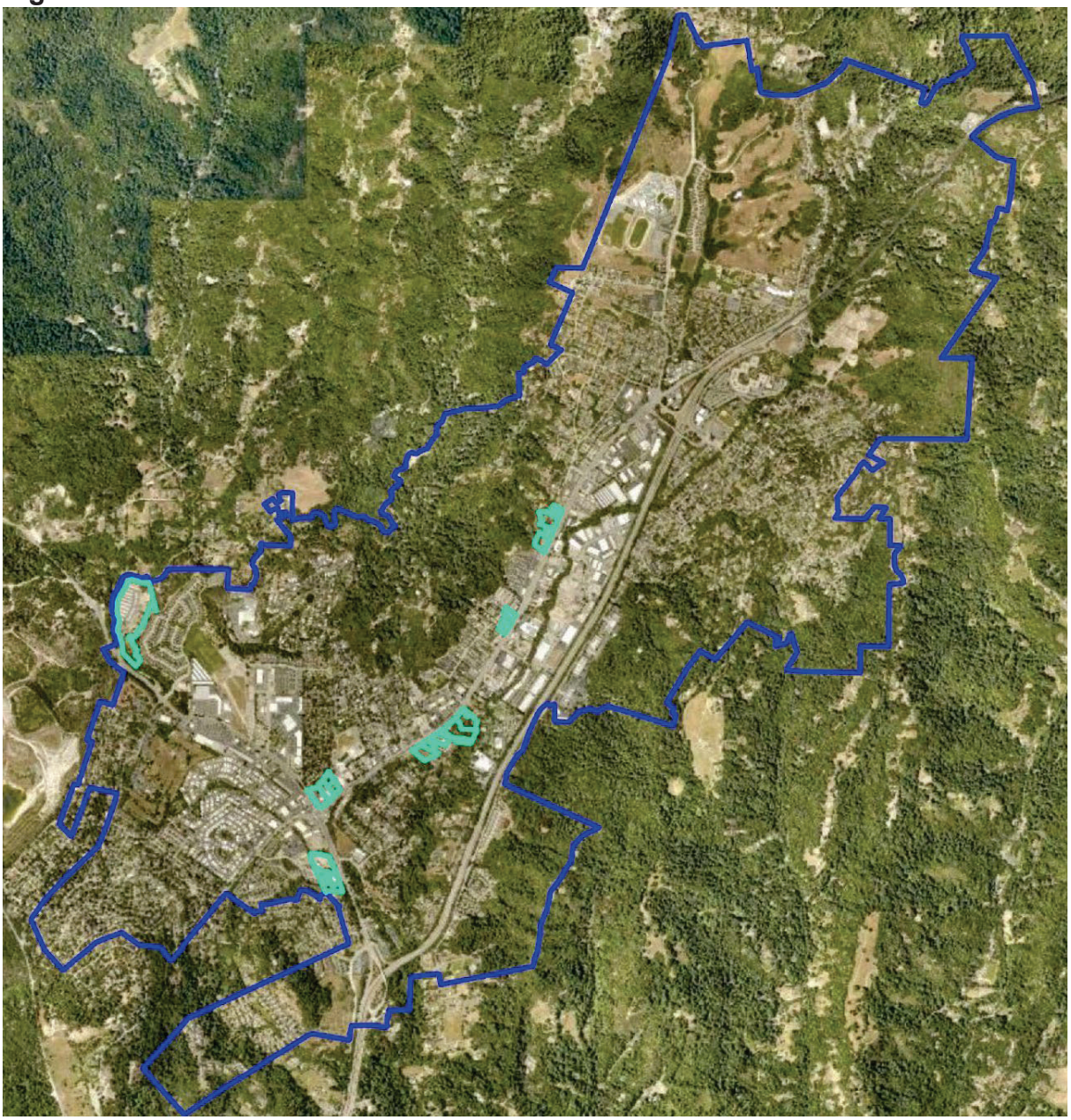
All but three rezone sites are currently zoned Service Commercial (C-S). Additional information about the sites can be found in Housing Element Appendix F.

Figure 1: Residential Rezone Sites



Residential Rezone

Figure 2: Mixed Use Rezone Sites



Mixed-Use Rezone

Proposed Amendments:

In 2024 the City adopted Zoning Ordinance amendments with a new Housing Element Opportunity Site (HE) combing district. The HE combining district, found in Chapter 17.41, establishes a by-right permitting process for Housing Element sites where required by state law. The HE combining district, as established in 2024, applies to the 35 rezone sites.

To implement Housing Element Program H-1.1, the proposed approach would modify the HE combining district to 1) allow a maximum density of 40 units per acre on the 35 rezone sites;

and 2) adjust other development standards as needed to accommodate this density. As required by Program H-1.1, the following provisions will apply to the rezone sites:

- Maximum density: 40 du/ac.
- Required commercial component on mixed-use rezone sites, with at least 30 percent total project floor area commercial.
- Allowed residential-only development (no commercial) on residential rezone sites.
- Increased building coverage from 45 percent to 60 percent to accommodate residential densities of up to 40 du/ac. Building coverage means the percentage of the lot occupied by a main or accessory building.
- Increased height to allow four-story development on parcels fronting Scotts Valley Drive and Mount Hermon Road (to accommodate 40 du/ac).
- Ability for applicant to request deviation from development standards that physically preclude construction of the housing development at its proposed density (maximum 40 du/ac).

The above provisions would apply only to the rezone sites. As discussed below, different standards apply to properties that are not rezone sites.

Topic 2: Residential Development Standards

Housing Element Program H-1.6 calls for the City to study existing residential development standards and to determine if these standards are a potential constraint to housing production. Program H-1.6 also states that the City shall adopt Zoning Ordinance amendments, if needed, to address and remove these constraints. These amendments would apply citywide in all areas, not just on the rezone sites or in the HE combining district.

Residential development standards include maximum density, minimum lot size and dimensions, minimum setbacks, maximum building and site coverage, maximum building heights, and minimum on-site parking.

Housing Element Appendix C analyzes governmental constraints to housing production in Scotts Valley, including development standards in the Zoning Ordinance. This analysis concludes that the minimum building coverage standard (45 percent and 35 percent, respectively) constrains mixed-use housing development at 20 units per acre. Required multifamily parking (two parking spaces per multifamily unit, plus one guest space per five units) also constrains multifamily and mixed-use development at 20 units per acre. Other development standards do not constrain residential development at permitted densities.

<u>Proposed Amendments</u>:

To implement Housing Element Program H-1.6, the proposed amendments would increase the maximum building coverage in the C-S and C-SC zones to 50 percent (outside of the HE combining district). Within the HE combining district (as discussed above), the maximum permitted building coverage would increase to 60 percent to allow for development at 40 units per acre.

The proposed amendments also include changes to required parking spaces. Table 1 shows existing and proposed residential parking requirements. No changes are proposed for single-family dwellings and townhomes. As required by Program H-1.6, two spaces would be

required for multifamily dwellings with three or more bedrooms. One space would be required for studio and one-bedroom units, and 1.5 spaces for two-bedroom units.

Table 1: Existing and Proposed New Required Parking Spaces

	Existing	Proposed New
Single-family Dwellings	3 spaces per unit (2-car garage + 1 additional covered or uncovered space)	No change
Townhomes*	2 spaces per unit plus one additional space for every five units	No change
Multifamily dwellings**	2 spaces per unit plus one additional space for every five units	Studio and 1 bedroom: 1 space 2 bedroom: 1.5 spaces 3+ bedroom: 2 spaces

*The Zoning Ordinance defines a townhome as “a one-family dwelling in a row of at least two such units in which each unit has its own front and rear access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more common, fire-resistant walls.” This definition includes all townhomes regardless of the underlying form of ownership (e.g., fee simple, condominium).

**The Zoning Ordinance defines a multifamily dwelling as “a building, or portion thereof, designed or used for residence purposes by two or more families or housekeeping units,” This definition includes duplexes, triplexes, and apartment buildings.

When considering proposed changes to multifamily parking standards, the Planning Commission may wish to consider parking requirements in other Santa Cruz County jurisdictions, as shown in Table 2.

Table 2: Parking Requirements in Other Santa Cruz County Jurisdictions

	Resident Parking	Guest Parking
Santa Cruz		
Studio, 1 bdrm	1 per unit*	10% of required resident spaces for 5+ units
2+ bdrm	2 per unit*	
Capitola		
500 sq. ft. or less	1 per unit	None
501 – 750 sq. ft.	1.5 per unit	
751 sq. ft. or more	2 per unit	
Santa Cruz County		
Townhomes, 1 bdrm	1 per unit	20% of required resident parking
Townhomes, 2+ bdrm	2 per unit	
Multifamily, <750 sf	1 per unit	20-30% of required resident parking (none in transit priority area)
Multifamily, >750 sf	2 per unit, 1.5 in transit priority area	
Watsonville		
1-3 bdrm	2 per unit	

	Resident Parking	Guest Parking
4 bdrm	3 per unit	1 per 4-8 bedrooms depending on project size
5+ bdrm	4 per unit	

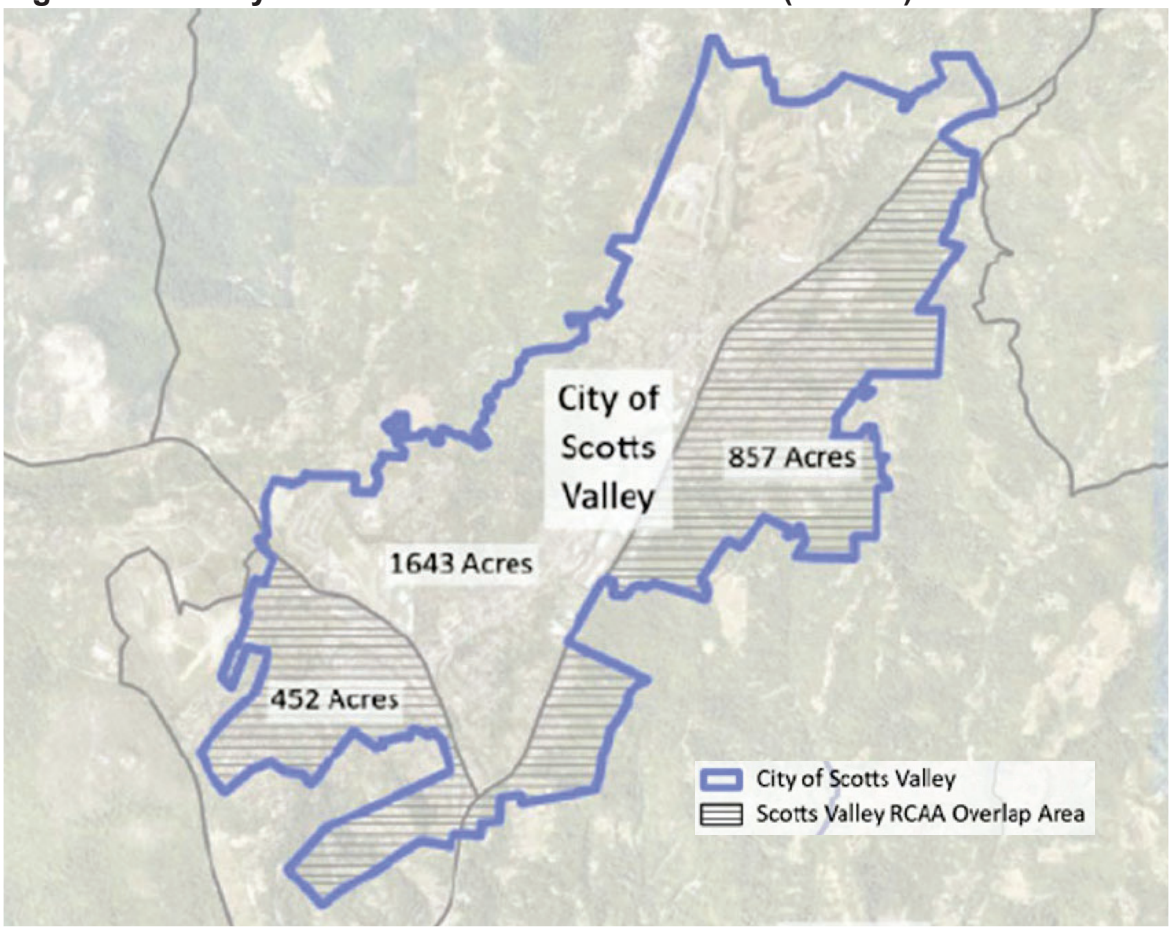
*Housing Element policy to eliminate parking minimums citywide by January 2028."

Topic 3: Affirmatively Furthering Fair Housing

As required by state law, Housing Element Program H-3.2 calls for the City to "affirmatively further fair housing" by taking actions to overcome patterns of segregation and increase access to opportunities for all residents. Program H-3.2 requires changes to development regulations that apply uniquely in "racially concentrated areas of affluence" (RCAA). Under state law, RCAA are areas with relatively high percentage of White population and high household incomes.

Figure 2 shows the RCAA boundary as identified in the Housing Element. RCAA in Scotts Valley includes all residential areas east of Highway 17 and south of Mount Hermon Road. The City identified these RCAA boundaries using the methodology recommended by the California Department of Housing and Community Development (HCD). These boundaries are established in the Housing Element consistent with state law and cannot be changed as part of the proposed Zoning Ordinance amendments.

Figure 2: Racially Concentrated Areas of Affluence (RCAAs)



Housing Element Program H-3.2 requires the following changes to development regulations within RCAA:

1. **Missing Middle Conversions**: Allow conversion of existing single-family residences into “missing middle” housing in lower density areas. In this context, missing middle housing means duplexes and triplexes designed to match the character of single-family residential neighborhoods.
2. **SB 9 Triplex**: Allow SB9 projects with three primary dwellings on a lot if at least one unit is deed restricted affordable to low-income households. SB9 is the state law that requires cities to permit two primary dwelling units on single-family lots. Under SB 9, one accessory dwelling unit (ADU) and one junior accessory dwelling unit (JADU) are also permitted on the lot with the two primary dwelling units. Scotts Valley adopted a local ordinance implementing SB9 ordinance in 2024 (SVMC Chapter 17.55).
3. **Permits for Townhomes and Condominium**: Remove the conditional use permit (CUP) requirement for condominiums and townhomes on R-1 parcels.

<u>Proposed Amendments</u>:

To implement Program H-3.2, the proposed amendments would create a new chapter in the Zoning Ordinance with all RCAA provisions. These provisions would address missing middle conversions, SB 9 triplexes, and permits for condominiums and townhomes, as follows:

1. **Missing Middle Conversions**. Within RCAA, an existing single-family home may be converted into a duplex or a triplex with standards to protect the public health and safety and ensure neighborhood compatibility. Standards will include the following:
    - The lot must conform to zoning district minimum lot area standard.
    - The lot may contain only one existing dwelling unit.
    - The conversion may only use existing living area in the primary dwelling (e.g., no conversion of accessory structures).
    - Minimum lot area of 5,000 sq. ft. per unit (2 units max on 10,000 sq. ft. R-1 lot, 3 units max on 15,000 sq. ft. R-1 lot).
    - Three units permitted only on lots with an average slope of less than 25 percent.
    - Conversions are not permitted on lot with existing ADUs, however ADUs may be added in the future as permitted by state law.
    - The conversion may not be combined with an SB 9 project.
    - Two on-site parking spaces must be provided for each unit. Parking spaces may not be in the front setback. The conversion may not add or enlarge an existing driveway curb cut.
    - Units must be connected to water and sewer.
    - Development must comply with public health and safety and environmental resource protection standards (e.g., fire safety, habitat protection).

2. **SB 9 Triplexes**. Within RCAA zoned R-1, an existing single-family home may be converted into an SB9 triplex if one or more new units on the site are deed restricted affordable to a very low or low-income household. The third SB 9 unit is subject to the following provisions:
    - Maximum floor area: 800 square feet.

- A third unit is not allowed with an SB 9 urban lot split.
- The third unit is allowed only as a modification to an existing dwelling.
- The third unit may be created by adding new floor area to the existing dwelling (not limited to conversion of existing floor area only).
- The third unit must comply with zoning district setbacks.
- The third unit must comply with all SB 9 standards, including public health and safety and environmental resource protection standards (except as modified above)

3. **Permits for condominiums and townhomes.** Within RCAA, townhouses and condominiums in the R-1 zone are a permitted use (no conditional use permit required.

NEXT STEPS

Based on feedback received from the Planning Commission, staff and consultants will prepare draft Zoning Ordinance amendments for Planning Commission review. The amendments will include additional details beyond the proposals contained in this report. The Planning Commission will hold a future public hearing to make a recommendation to the City Council on the amendments. Following Planning Commission recommendation, the City Council will hold a public hearing to consider adoption of the amendments.