

1. Planning Commission Meeting Material

Documents:

[DECEMBER 14, 2017 - PART 2.PDF](#)

[DECEMBER 14, 2017 - PART 1.PDF](#)

**City of Scotts Valley
PLANNING COMMISSION
STAFF REPORT**

Date: December 14, 2017

Appellant: Charlie Eadie of Eadie Consultants

Property Owner: Granum Partners

Location / APN: 3640 Glen Canyon Road / 022-162-76
(and all C-S zoned lots in the City)

General Plan / Zoning: Service Commercial / Service-Commercial (C-S)

Request: Consideration of an appeal of the Acting Community Development Director's determination that a submitted development application for residential and commercial uses is inconsistent with the City's General Plan.

Staff Planner: Taylor Bateman, Acting Community Planning Director, at (831) 440-5630, or tbateman@scottsvally.org

SUMMARY OF ISSUE

On June 22, 2017, the Acting Community Development Director determined that a proposed residential and commercial development application was not consistent with the City of Scotts Valley General Plan and could not be accepted by the City (*see attached City letter*). On July 25, 2017, the property owner requested that the City reconsider its decision to not accept the application (*see attached property owner's attorney letter*).

On October 26, 2017, the appellant appealed the Director's determination (*see attached appellant letter*). Pursuant to the City's Municipal Code, appeals of the Community Development Director's decisions and/or determinations are heard by the Planning Commission at a public meeting.

Approving the appeal would reverse the City's long-standing interpretation and implementation of the minimum 50%-50% ratio of commercial space to residential space in mixed use projects. The unintended consequences of such a reversal must be considered. Furthermore, the General Plan did not evaluate the potential for all Service-Commercial (C-S) zoned lots to be converted with more residential uses than commercial uses. Therefore, this appeal is not just for the subject property; it is a City-wide issue for all C-S zoned lots.

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1. PROJECT SITE

Although the appeal is about the Acting Community Development Director's determination and not the proposed development application itself, an overview of the subject property/project site, project description, and development history is helpful.

The subject property is a vacant oblong-shaped, 3.565-acre lot approximately 155,291 square feet (sq. ft.) in size. The property is located at the corner of Mt. Hermon and Glen Canyon Roads in the Service-Commercial (C-S) zone at one of the City's gateway locations (*see attached location map*). The property slopes upward from the street frontages to adjacent properties. The table below shows the existing zoning districts and land uses around the subject property:

Direction	Zoning District	Existing Land Use	Address
North	C-S Service-Commercial	Shell Gas Station	90 Mt. Hermon Road
	R-M-6 Medium High-Density Multi-family Residential	Future/approved 19-unit townhouse development	No address but located on Scotts Valley Drive
Northeast	R-1-10 Single-family Residential	"Scotts Valley Heights" neighborhood	107 - 115 Lucia Lane
Southeast	C-S Service Commercial	Office building	3600 Glen Canyon Road
South	R-VH Very High-Density Multi-family Residential	Vacant corner lot across the street	No address but located on Glen Canyon Road
West	n/a	n/a	Mt. Hermon Road

2. PROJECT DESCRIPTION

The property owner proposes to build a residential and commercial development consisting of approximately 74,100 sq. ft. of residential space and 24,841 sq. ft. of commercial space (*see application plans for more details*). The proposed ratio of commercial space to residential space is 25%-75%, as summarized below:

	Building A	Building B	Building C	Building D	Total
Commercial Uses	14,931 sq. ft.	9,910 sq. ft.	None	None	24,841 sq. ft.
Residential Uses	52,652 sq. ft. ^A	None	10,724 sq. ft. ^B	10,724 sq. ft. ^B	74,100 sq. ft.

Footnotes: A is 44 apartments; B is 8 townhouses with attached 2-car garages; square footages shown do not include all of the square footage and building massing devoted to residential use.

Please note that because the application was deemed inconsistent with the General Plan, the application has not been reviewed for compliance with the General Plan or Zoning Ordinance, and the appropriate level of environmental review under California Environmental Quality Act. Therefore, there could be other land use issues that must be addressed, including, but not limited to, density, building height, and compatibility with adjacent commercial and residential uses.

3. POLICY AND REGULATORY FRAMEWORK

Staff has prepared the following information on the City's General Plan, Housing Element, which is a chapter in the General Plan, and Service-Commercial (C-S) Zoning District Regulations to frame the discussion.

A. GENERAL PLAN – LAND USE ELEMENT

The General Plan is the City's main policy document and building block for the City's Municipal Code, including the Zoning Ordinance, Specific Plans, and other City policies. The General Plan is considered a community's "blueprint" or guide to achieve the City's vision. California law requires each city or county to adopt a local General Plan, which addresses issues associated with land use, economic development, mobility, open space, recreation, public safety, and community facilities.

The General Plan also provides guidance for different issues such as how and where a community should grow: improving traffic circulation and safety, mobility options such as bike routes and trails, improving housing and education facilities, and increasing parks and recreation opportunities.

The General Plan consists of chapters called "Elements", which goals, policies, and actions guide new construction and development in the City (*see attached General Plan Land Use Element*). Under the Land Use Element of the General Plan, the subject property is designated for Service Commercial uses. Per General Plan Land Use Element page Land Use-8, properties in this designation allow for:

"...retail stores and shops, food and motel/hotel establishments, services such as printing shops and electrical repair shops, heating and ventilation shops. Very-high density mixed-use residential is permitted, providing adjacent uses are compatible and the residential use is secondary to the retail use."

Mixed-use is a term that describes more than one use on one property. A traditional mixed-use development involves commercial uses on the ground floor and only rental residential uses located above or behind, without a subdivision of property. The salient point from the quote above, is that, commercial is the primary use in Service Commercial designated lots – not residential or mixed-use.

Secondary use means less than the primary use. To ensure that the commercial property retains its commercial character in mixed-use developments, the City uses a minimum 50%-50% ratio of commercial space to residential space as the minimum numerical representation to implement its interpretation of secondary. Therefore, to be considered as secondary, residential space in a mixed-use development is, at a minimum, the same amount as the commercial space.

The General Plan is the City's constitution, which grows and evolves in response to changing circumstances in the City. Like a constitution, the evolution of the General Plan occurs through the formal amendment process and through the course of interpretation. Per General Plan page iii:

"...The City Council shall be the supreme court for interpretation of Scotts Valley's General Plan."

In September 1999, when a developer proposed more residential space than commercial space on a Service Commercial lot, the Planning Commission and City Council affirmed that commercial use should be more than residential use (see attached City Council/Planning Commission Staff Reports and Meeting Minutes).

The City implements its General Plan with the authority given. General Plan Land Use Element page Land Use-7, states that the:

"...descriptions of land use designations will be further refined in the zoning ordinance and through implementation of the policies and actions of the General Plan."

The minimum 50%-50% ratio of commercial space to residential space is one way that the City implements, promotes, and protects the availability of its commercial zones, as called for in General Plan Land Use Element Policy LP-28. The City has implemented this in various development application approvals.

B. GENERAL PLAN - HOUSING ELEMENT

The Housing Element is another chapter in the City's General Plan. The Housing Element establishes how the City will address housing needs for all economic segments of the community, with a focus on low-income to moderate-income households and special-needs populations (see attached Chapter 4 from the 2015-2023 Housing Element).

Approximately every eight years pursuant to state law, all cities and counties are required to update their Housing Element to comply with new state housing laws and to plan to accommodate their share of regional housing needs. This means that cities and counties must have enough zones that could accommodate their unique number of housing units to potentially be built in the future. In March 2016, the City adopted its current 2015-2023 Housing Element, which the state subsequently certified.

In a prior Housing Element, the City rezoned various commercial lots to either Very High-Density to Medium High Density Residential or Service-Commercial (C-S), including the subject property. It was rezoned to C-S. At that time, the City was processing the current property owner's previous development application of commercial and residential uses, with a 72%-28% ratio of commercial space to residential space, consistent with the General Plan. This rezone streamlined the permit process, because a General Plan Amendment and Zone Change to change the land use designation and zone were not required at that time.

In the current 2015-2023 Housing Element, the subject "Oak Creek Park" property is one of a few properties identified as opportunity sites for potential housing. In Housing Element Figure 4-3, the site could accommodate 10 housing units. More units could be proposed, as long as the development application provides the minimum 50%-50% ratio of commercial space to residential space, to be consistent with the General Plan Land Use Element.

C. SERVICE-COMMERCIAL (C-S) ZONING DISTRICT REGULATIONS

The Service-Commercial (C-S) zone is intended to provide areas for retail stores, offices, service establishments and businesses offering various goods and services to the community (*see attached C-S Zoning District Regulations*).

In each zoning district, there is a list of "permitted" uses, which are allowed by right, without a conditional use permit, and a list of "conditional" uses, which require use permit approval by the Planning Commission at a public hearing. In either case, new construction in commercial zones requires Design Review approval by the Planning Commission at a public meeting (not a public hearing with required neighborhood notification).

Per the C-S regulations, mixed-use is a permitted use on the subject property and other properties because these lots were specifically identified in Housing Element Figure 4-3 as opportunity sites for potential mixed use. For this property, Design Review would be the planning permit required for an application that does not involve a subdivision, only provides rental residential, complies with applicable development standards, and provides the minimum 50%-50% ratio of commercial space to residential space, to meet the General Plan definition of mixed-use. For the rest of the C-S zoned lots, mixed-use is a conditional use.

Existing examples of mixed-use developments with a 50%-50% ratio are:

- "Rod Markell" building at 4404 Scotts Valley Drive
- "The Banner" building at 5215 Scotts Valley Drive

Currently, the City is processing a mixed-use development application for commercial space and rental apartments with a 50%-50% ratio, called the "Bay Mountain" building at 4803 Scotts Valley Drive.

In the past, other developers of mixed-use development applications that weren't willing or able to meet the minimum 50%-50% ratio of commercial space to residential space applied for a land use redesignation and zone change. These projects involved General Plan Amendments, Zone Changes, Planned Developments, Land Divisions, and Design Review planning permits to function like mixed-use but allow more residential than the 50%-50% ratio of commercial space to residential space.

Examples of such developments with a higher amount of residential to commercial are:

- "Dunslee Way" on Scotts Valley Drive
- "The Manor" off Civic Center Drive
- "Windward Place" off Civic Center Drive
- "Woodside" off Scotts Valley Drive

Any change in the interpretation of secondary and mixed-use on the subject property would apply to all other C-S zoned lots in the City.

D. DEVELOPMENT HISTORY

For context, a chronological summary of the previous and current development proposals on the subject commercial lot is provided below:

- Years 1991 and 1997 Development Proposals: In the past, the property was intended for commercial office buildings under the previous Professional-commercial zone. In 1991, the City approved a 3-lot subdivision to build three commercial buildings. The project was not built. In 1997, the City approved the "Oak Creek Park Business Center" for three lots and three commercial buildings. The 1-story building was built at 3600 Glen Canyon Road, but the approved two 2-story buildings (48,000 sq. ft.) were not.
- Year 2008 Development Proposal (Not Approved): The property owner previously proposed to build two 1-story commercial buildings (24,450 sq. ft.) and 10 townhouses (9,360 sq. ft., excluding a swimming pool and cabana of 1,392 sq. ft.). The requested planning permits included: a Mitigated Negative Declaration, Planned Development Zoning Overlay and Permit, Land Division, and Design Review. The application had a 72%-28% ratio of commercial space to residential space, consistent with the General Plan definition of mixed-use.

In April and June 2008, the Planning Commission recommended approval to the City Council of a revised plan to address the neighborhood's primary concerns of preserving rear yard privacy and views from major living areas.

In July and August 2008, due to potential legal action by an adjacent residential property owner, the public hearing was continued to a date uncertain. The City Council did not consider the proposed development, and the application was not approved. Some Council Members gave feedback on the proposed design; a comment was made to consider an actual mixed-use design because the 10 townhouses appeared as a separate project.

- Year 2017 Development Proposal: Since then, the property owner proposes a denser project of 52 residential units and approximately 24,891 sq. ft. of commercial space. As proposed, staff explained that the proposed 25%-75% ratio of commercial space to residential space was inconsistent with the City's General Plan.

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Staff worked with the property owner and appellant to explore solutions to proceed as proposed and be consistent with the General Plan. Different options were discussed, including a Specific Plan application. This approach would give a way to proceed, as proposed, which would meet the City's and property owner's goals and objectives.

At present, the property owner is unwilling to process a Specific Plan or submit a development application to change the land use designation and zone to accommodate the proposed amount of residential. The property owner is unwilling to do what other developers have done to meet the General Plan definition of mixed-use.

4. APPEAL PROCESS

Pursuant to the City's Municipal Code Section 17.50.060, Appeals, the Planning Commission is the decision-making body to hear appeals of the Acting Community Development Director's decisions or determinations.

5. APPEAL DISCUSSION

The appellant's reasons for the appeal (*see attached appellant's letter*) are discussed in the subject categories below. The appellant's comments are shown verbatim in "*italics*," followed by staff's responses.

A. GENERAL PLAN – LAND USE ELEMENT

"The General Plan Land Use Element states that very high density mixed use residential is permitted in land designated as Service Commercial (Land Use-pg.8). Very high density is classified as 15.1-20 units/acre (Land Use -pg 7). The Service Commercial definition also states the permitted high density should be compatible with adjacent uses and that the residential portion should be secondary to the retail use. (See attachment 6.) This definition fits with and is given meaning by the General Plan Housing Element and Zoning Ordinance provisions about location of residential components of mixed use. The importance of zoning is further reinforced in the General Plan Land Use Element text stating that the land use designations are to be "further refined in the zoning ordinance." (Land Use – pg.7.) (See attachment 7.)"

Staff Response: The land use designation and zone are commercial; therefore, the primary use is commercial. The character of a commercial lot should be preserved. As proposed, the design devotes more square footage, land area, and design amenities to the residential use than the commercial use. Even when mixed-use is a permitted use (allowed by right), the residential use still needs to be secondary to the commercial use.

The proposed development application does not achieve this fundamental requirement. As such, the application is inconsistent with the land use designation and zone and cannot be processed without a Specific Plan or General Plan Amendment and Zone Change applications.

The Director's decision conforms with the City's implementation of its General Plan through past development approvals and the City Council's affirmation of challenges to interpreting its implementation of the General Plan.

B. GENERAL PLAN - HOUSING ELEMENT

"The General Plan Housing Element (pg. 3-6) in Chart 3-43 establishes that multi-family housing is permitted by right in the C-S zoning, with a footnote limiting that to sites previously designated in the Housing Element. (See attachment 2). The project site is designated in both the current General Plan Housing Element and in the 2009-14 General Plan Housing Element. (See attachment 3.)"

Staff Response: Yes, multi-family residential is a permitted use (allowed by right) on the property per the 2015-2023 Housing Element. However, as proposed, the proposed development application does not meet the City's definition of mixed-use. The amount of residential use (approx. 74,100 sq. ft.) is significantly more than the commercial use (approx. 24,841 sq. ft.). As such, the proposed residential use is not secondary to the commercial/retail use of the property, which is inconsistent with the General Plan.

Instead of the minimum 50%-50% ratio of commercial to residential space, the application proposes a 25%-75% ratio. An application inconsistent with the General Plan cannot be accepted by the City because the application does not meet the City's standards.

"The Mixed Residential-Commercial" section on page 3-7 of the General Plan Housing Element states that the City allows mixed use "as a permitted use" with a density of 15-20 units/acre. It also states that "the multi-family dwelling units should be located either above the ground-level commercial or at ground level at the rear of the site." (See attachment 4.) The proposed project meets the density standard and locates the residential exactly in the manner recommended."

Staff Response: Conformance with density requirements will be evaluated when a planning permit application is accepted. Although multi-family residential is a permitted use (allowed by right) for the subject property, the base zone is commercial and therefore the primary use is commercial – not residential.

The 50%-50% ratio of commercial space to residential space is the minimum numerical representation that the City uses to implement its interpretation of secondary. Therefore, for the residential to be considered as secondary, the design should propose a minimum 50%-50% ratio – not the proposed 25%-75% ratio of commercial space to residential space.

C. SERVICE COMMERCIAL (C-S) ZONING REGULATIONS

"The Zoning Ordinance (Chapter 17.20) defines regulations for C-S Service Commercial. It establishes under 17.20.020 H that multi-family dwellings are a principal permitted use when "located either above the ground-level commercial use or a ground level at the rear of a commercial space on sites designated in the Housing Element." (See attachment 5.) This language mirrors that of the General Plan Housing Element, and as previously noted, the proposed project meets that criterion."

Staff Response: To meet the City's definition of mixed use, any residential use must be secondary to the commercial use. As interpreted by the City, that means at least a 50%-50% ratio of commercial to residential uses. Because the proposed project has significantly more residential uses than commercial uses regardless of location, it is not consistent with the General Plan and cannot be accepted by the City.

Although the 44 rental apartments in Building A are located above and behind the commercial use in Building A, the proposed 8 townhouses in Buildings C and D are located to the side of the commercial Buildings A and B. Therefore, the townhouses are not above or behind the commercial use. In the previous development application in 2008, the Planning Commission Chair raised a concern about the location of the townhouses in relation to the commercial buildings. Compliance with this regulation would be discussed with a future development application.

Location alone is one part of ensuring that the amount of residential is secondary to the primary commercial use, but location is not the sole factor, as defined in the General Plan Land Use Element and through approvals of past development applications.

6. GENERAL PLAN UPDATE

In Summer 2014, the City initiated the multi-year process of updating the City's General Plan. This process began with the update of the City's 2015-2023 Housing Element, a strategic document that helps to adequately plan and meet the housing needs within the community.

In March 2017, the City Council established the General Plan Advisory Committee (GPAC) comprised of members of the public and various stakeholders, including elected and appointed officials and a representative from a non-profit organization. The GPAC provides policy recommendations about key strategic milestones in the update process and plays a critical role in developing an inclusive planning effort by engaging the community. The GPAC will prepare recommendations for Planning Commission and City Council consideration to be scheduled for future public hearings.

In April 2017, the GPAC held its first meeting, and subsequently hosted a *Vision Scotts Valley* community meeting and launched the General Plan Update survey to gain input on key issues and future aspirations for the City of Scotts Valley and surrounding planning area. Nearly 100 residents attended the June 2017 visioning meeting and over 700 people completed the General Plan Update survey.

Currently, the GPAC is reviewing land uses and other topics from the General Plan. If the Planning Commission thinks that the City's definition of mixed-use projects should be revisited, then the GPAC is the proper group to study the issue further with the General Plan Update process, given the potential City-wide impacts of this issue.

7. ECONOMIC DEVELOPMENT AND CITY-WIDE IMPLICATIONS

There is an economic development aspect to this appeal. The City greatly depends on sales tax revenue to provide services to the community. As the 2nd most widely traveled road in Santa Cruz County, Mt. Hermon Road is the City's greatest asset for growth of new retail and sales tax revenue. Although new construction could be a catalyst for economic growth, the City should seriously evaluate the fiscal implications of converting commercial land to non-commercial uses, as this decision affects all the C-S zoned properties in the City.

The General Plan Open Space and Conservation Element designates the subject property as an important vista, which is located at one of the City's main gateways from Highway 17. Being located at a signalized intersection increases the visual importance of the property.

Mt. Hermon Road is the City's main commercial corridor. Finding the right balance of commercial and residential use is vital to the City's present and future. Therefore, preserving the commercial character of commercial lots is important to the City's tax base.

8. CONCLUSION

The Director's decision is a consistent implementation of the City's General Plan, in that the proposed development application is inconsistent with the General Plan. The amount of residential uses does not meet the definition of secondary. For the residential to be considered as secondary, the design should propose a minimum 50%-50% ratio of commercial space to residential space, instead of the proposed 25%-75% ratio.

This appeal is not just for the subject property; it is a City-wide issue. Approving the appeal would reverse the City's long-standing interpretation and implementation of the 50%-50% ratio of commercial space to residential space. The unintended consequences of such a reversal must be considered. Furthermore, the General Plan did not evaluate the potential for all C-S parcels to be converted with more residential uses than commercial uses.

9. STAFF RECOMMENDATION

It is recommended that the Planning Commission conduct a public meeting, hear the appellant's and any public testimony, consider the appeal, and uphold the determination of the Acting Community Development Director, denying the appeal.

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* Please note that the project plans are provided in the Planning Commission packets. However, all documents and the application file are available for public review in the Planning Department at City Hall Monday-Thursday from 8:00AM-12:00PM, or by appointment by calling (831) 440-5630.

NEWMAN MARCUS

331 Capitola Avenue, Suite K, Capitola, CA 95010 OFFICE (831) 476-6622 FAX (831) 476-1422

Edward W. Newman
Howard S. Marcus
(1941-1998)

edward@capitolalawfirm.com

July 25, 2017

Via Electronic and U.S. Mail

Kirstin Powell, Esq.
One Civic Center Drive
Scotts Valley California 95066
kpowell@loganpowell.com

Re: Oak Creek Park – Mount Hermon Road Proposed Mixed-Use Development

Dear Ms. Powell:

I represent Granum Partners in connection with their proposed application for a mixed-use development on Mount Hermon Road. Attached is a letter dated June 22, 2017 from Taylor Bateman to Charles Eadie, wherein Mr. Bateman opines that the City cannot accept Granum's application because it is not consistent with the Scotts Valley General Plan.

Granum Partners respectfully disagrees with Mr. Bateman's conclusion regarding consistency with the Scotts Valley General Plan, and specifically his assertion that the residential use as shown on the plan is not secondary to the retail use. As Mr. Eadie has previously explained, the term "secondary" is most reasonably interpreted to refer to the location of the residential units on the site, i.e. above the ground floor or at the rear of the site, rather than the percentage of floor area.

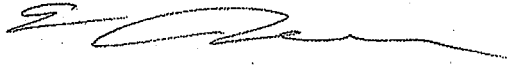
Assuming that reasonable minds can differ as to the interpretation of the General Plan referenced to residential uses that are secondary, Granum Partners submits that the issue should be resolved by the appropriate governing body, not by the Acting Community Development Director. By analogy, Government Code §65943 provides that when an application for a development project is determined not to be complete, the applicant has the right to appeal that decision in writing to the governing body.

Granum Partners is requesting that the City reconsider its position that its application cannot be accepted by the City. This will allow the application to move forward to the Planning Commission, where the Acting Community Development Director's position regarding consistency with the General Plan can be evaluated by the Commission.

Kirstin Powell, Esq.
July 25, 2017
Page 2

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Edward W. Newan', with a long horizontal flourish extending to the right.

EDWARD W. NEWAN
Attorney at Law

EWN:djs

For City Use Only

Date Received: _____

Hearing Date: _____

Fee Paid - 25% of original permit fee or approved application with minimum of \$124 (Res. 1198.58)

RECEIVED
OCT 26 2017

CITY OF SCOTTS VALLEY

CITY OF SCOTTS VALLEY

APPEAL APPLICATION

(To be filed with City Clerk)

NAME OF APPELLANT: Greg Egers, Granum Partners by Charles

Address: PO Box 1647 Santa Cruz CA 95061 Eddie

Telephone: (Home) _____ (Work) 531-431 (Email) charlie@eddieconsultants.com

NAME OF PROJECT APPLICANT: 3396 Greg Egers, Granum Partners

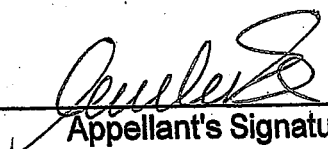
Project File Number: HA

Project Address: 3640 Glen Canyon

Project Description: _____

DECISION BEING APPEALED: Administrative decision to not allow application to be submitted and processed. @ (Decision finalized Oct. 12, 2017 via email by City Attorney to project attorney.)

BASIS FOR THE APPEAL (attach available correspondence): see attached

* 
Appellant's Signature

* Please do not sign this application until it is presented at the City offices. If you wish specific people to be notified of this appeal, please list them on a separate sheet.

THIS APPLICATION AND THE FILING FEE MUST BE SUBMITTED WITHIN FOURTEEN (14) CALENDAR DAYS AFTER THE DATE OF THE DECISION



EADIE CONSULTANTS

Planning for Better Outcomes

October 25, 2017

Ms. Jenny Haroyama, City Manager
City of Scotts Valley
One Civic Center Drive, Scotts Valley CA 95066

Dear Ms. Haroyama:

The purpose of this letter is to appeal an administrative decision of the Planning Director made effective October 12, 2017 in communication from the City Attorney. The appeal is authorized under the City's Municipal Code.

Specifically, we are appealing the decision by the Planning Director to not accept and process as a Principal Permitted use our application that was filed for a Design Permit for a mixed use project at 3640 Glen Canyon Road (APN 022-162-66). The project meets the zoning criteria and as such is authorized as a Principal Permitted use under the C-S zoning district. Also, the project is consistent with General Plan policies for density and mixed use applicable to this site.

In his initial review letter of June 22, 2017 (Attachment 1) the Planning Director stated that he will not accept the application and instead is requiring the preparation of a Specific Plan.

We are appealing the Planning Director's action. We find it impermissible legally because it contradicts the applicable Zoning and the policy language in the City's General Plan. Furthermore, we see no legal basis to require a Specific Plan. Such a process is costly, unnecessary and unwarranted.

Upon close examination, the General Plan and Zoning Ordinance clearly indicate that the proposed project is a Principal Permitted use. The relevant General Plan and Zoning Ordinance provisions are summarized as follows:

1. **The General Plan Housing Element** (pg. 3-6) in Chart 3-43 establishes that multi-family housing is permitted by right in the C-S zoning, with a footnote limiting that to sites previously designated in the Housing Element. (See attachment 2.)

The project site is designated in both the current General Plan Housing Element and in the 2009-14 General Plan Housing Element. (See attachment 3.)

2. The "Mixed Residential-Commercial" section on page 3-7 of the **General Plan Housing Element** states the City allows mixed use "as a permitted use" with a density of 15-20 units/acre. It also states that "the multifamily dwelling units should be located either above the ground-level commercial or at ground level at the rear of the site." (See attachment 4.)

The proposed project meets that density standard and locates the residential in exactly the manner recommended.

3. The **Zoning Ordinance** (Chapter 17.20) defines the regulations for C-S Service Commercial. It establishes under 17.20.020 H that multiple-family dwellings are a principal permitted use when "located either above the ground-level commercial use or a ground level at the rear of a commercial space on sites designated in the Housing Element." (See attachment 5.)

This language mirrors that of the General Plan Housing Element, and as previously noted, the proposed project meets that criterion.

4. The **General Plan Land Use Element** states that very high density mixed use residential is permitted in land designated as Service Commercial (Land Use-pg. 8). Very high density is classified as 15.1-20 units/acre (Land Use –pg 7). The Service Commercial definition also states the permitted high density should be compatible with adjacent uses and that the residential portion should be secondary to the retail use. (See attachment 6.)

This definition fits with and is given meaning by the General Plan Housing Element and the Zoning Ordinance provisions about location of residential components of mixed use. The importance of zoning is further reinforced in the General Plan Land Use Element text stating that the land use designations are to be "further refined in the zoning ordinance." (Land Use – pg.7.) (See attachment 7.)

The Planning Director's letter makes no reference to the General Plan Housing Element and the City's Zoning Ordinance, and instead relies on his interpretation of a non-specific reference to residential use as "secondary."

While the City Council may have latitude as to the how to interpret the practical meaning of "secondary" for some C-S zoned parcels, there is no such interpretive latitude for this parcel. The General Plan Housing Element and the Zoning Ordinance are clear and specific with respect to parcels identified in the General Plan Housing Element. No interpretation is required: This project, on this site, with this design, is a Principal Permitted use, and the City is not entitled to refuse to process it as such.

As you know, we have been communicating with City staff for several months in an effort to resolve this, but the result was a final decision as stated by the City Attorney communication (email to Project Attorney Ed Newman of Oct. 12, 2017.)

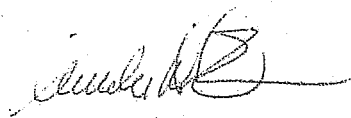
The City's alternative proposal to place this issue on an agenda in the future for an advisory action by City Council would be fine for some other parts of the City. In the case of our client and this parcel, however, there is no interpretive latitude, so an immediate appeal is in order.

Therefore, we request timely consideration of this appeal as we must move ahead with the legal process of exhausting our administrative remedies.

Please note that we would be happy to withdraw this appeal if the staff changes course and allows the application to be processed as a Principal Permitted use.

Thank you for your consideration.

Sincerely,



Charles Eadie
Principal

Cc: Greg Egers, Granum Partners
Edward Newman, Esq. Capitola Law Firm

Attachments

Attachment 1



CITY OF SCOTTS VALLEY

PLANNING AND BUILDING DEPARTMENT

One Civic Center Drive • Scotts Valley • California • 95066
Phone (831) 440-5630 • Facsimile (831) 438-2793 • www.scottsvally.org

June 22, 2017

Mr. Charles Eadie
Eadie Consultants
P.O. Box 1647
Santa Cruz, CA 95030

Subject: Oak Creek Park – Mount Hermon Road
Proposed Mixed Use Development

Dear Mr. Eadie:

Thank you for your interest in developing in the City of Scotts Valley. The City has reviewed your proposed application for a mixed use development on Mount Hermon Road and determined that it is not consistent with the City of Scotts Valley General Plan. Under the General Plan, the subject property is designated for service commercial uses and allows for residential uses that are secondary to the service commercial uses of the property. Per the General Plan, properties designated as Service Commercial allow for "retail stores and shops, food and motel/hotel establishments, services such as printing shops and electrical repair shops, heating and ventilation shops. Very high density mixed use residential is permitted, providing adjacent uses are compatible and the residential use is secondary to the retail use." As proposed, your application is disproportionately weighted toward residential use of the property. An application that is not consistent with the Scotts Valley General Plan cannot be accepted by the City.

To proceed as proposed and be consistent with the General Plan, a Specific Plan application will need to accompany the proposed application. A Specific Plan can allow for design flexibility that meets the goals and objectives of both the City of Scotts Valley and the property owner.

The following reports will also be required to accompany an application:

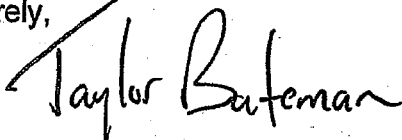
Biological Survey
Entomological Survey
Drainage Plan
Hydrological Report
Geotechnical Investigation

Noise Study
Traffic Impact Analysis
Tree Survey
Storm water management report

Once the required applications and reports have been submitted, the City will be able to conduct a thorough review of the application for compliance with City regulations and the appropriate level of environmental review under CEQA.

If you have any questions regarding this matter, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Taylor Bateman". The signature is written in a cursive, flowing style.

Taylor Bateman
Acting Community Development Director

Cc. Jenny Haruyama, City Manager
Kirsten Powell, City Attorney
Greg Egers, Granum Partners

Attachment 2

2. Provisions for a Variety of Housing

Housing element law specifies that jurisdictions must identify adequate sites that will be made available, through appropriate zoning and development standards, to encourage the development of various types of housing for all economic and social segments. **Chart 3-43** summarizes housing permitted in Scotts Valley's residential, commercial, and institutional zones. Residential uses are designated as permitted by right (P) or conditionally permitted (C).

Chart 3-43
Housing Types Permitted by Zone

Housing Types	Zones that Allow Housing									
	R-VH	R-H	R-M-6 R-M-8	R-1-10 R-1-20 R-1-40	R-R-2.5	R-MT-5	C-S	C-SC	P/Q-P	I-L
Single-family Dwellings		P	P	P	P	P			P	
Multi-family Dwellings	P	P	P	C ¹			P ²	C		C
Secondary Dwelling Units				P	P	P				
Mobile Homes/ Manufactured Housing		P		P						
Small Family Child Care Homes	P	P	P	P	P	P				
Large Family Child Care Homes	C	C	C	C	C	C				
Day Care Centers	C	C	C	C	C	C	P	C	C	C
Small Community Care Facilities	P	P	P	P	P	P				
Foster Care Homes (6 or < children ³)				P	P	P				
Foster Care Homes (7 or > children ⁴)				C	C	C				
Residential Care Facilities									C	
Transitional Housing	P	P	P	P	P	P	C			C
Supportive Housing	P	P	P	P	P	P				
Emergency Shelters							P/C ⁵	P/C ⁵	P/C ⁵	C

Source: Scotts Valley Municipal Code (SVMC), Chapter 17, Zoning

Legend:

P - Permitted

C - Conditional use permit approved by Planning Commission review only

- 1 - Townhouses and condominiums conforming to density of SVMC Chapter 17.14
 2 - Only for sites previously designated in the Housing Element; located either above ground-level commercial use or at ground level at the rear of a commercial space
 3 - Total number of children, including those of the proprietary family, is six or less
 4 - Total number of children, including those of the proprietary family, exceeds six
 5 - Permitted for 25 or less occupants; conditional use for more than 25 occupants

Chart 3-3
Housing Types Permitted by Zone

Housing Types Permitted	Zone Districts Allowing Housing						
	R-M, R-H, & R-VH	All R-1	Rural	C-S C-SC	PD	Public/Quasi	I
Single-family dwellings	P	P	P		P	P	
Townhouses/Condos.	P	C			P		
Mixed Use				P*			
Guest/Second Units	P	P	P	P	P	P	
Multi-family dwellings	P			P*	P		
Mobile/Manufactured	P	P			P		
Family day-care homes	P		P		P	C	
Residential Care Facility	P	P	P		P	C	
Transitional housing							C
Emergency shelters				P		P	
Congregate Housing	C	C					
Faculty/Student Housing					P	C	

Source: Zoning Code, City of Scotts Valley, 2007. *Site designated in the 2002-2007 Housing Element.

C: Conditional use permit approved by Planning Commission review only

Conventional Residential

The City allows single and multiple family homes at a variety of densities. The Housing Plan is expanding the range of multiple family housing types by creating a very high density residential land use designation that can facilitate apartments, town homes, or condominiums. Second units are permitted by right provided that development is consistent with standards in State law. The City's Zoning Code was amended in 2003 to comply with State law. Guesthouses on the same lot as a primary home and which are not rented, let or leased, are permitted by right in residential zones. The City allows single- and multi-family residential units at a variety of densities, including apartments, townhomes, and condominiums. In 2003, the City's Zoning Code was amended to comply with State law, and included revisions to permit secondary dwelling units in all residential zones provided that development is consistent with standards per State law.

Mixed Residential-Commercial Use

The General Plan and Zoning Code was revised/dechanged in 2007 to allow mixed residential and commercial uses in the C-S and C-SC zone as a permitted use on sites listed in the 2002-2007 Housing Element with a density of 15 - 20 units per acre. The multi-family dwelling units should be located either above the ground-level commercial use or at ground level at the rear of the

Attachment 3

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anticipates 133 total units with a minimum of 21 units being affordable. The Specific Plan area has seven vacant residential sites zoned RV-H, and one site zoned C-S which allow high density mixed use by right.

Scotts Valley Drive, North of Dunslee

Two other sites along Scotts Valley Drive were selected for new housing. North of Dunslee, this 9.5-acre vacant site slopes up to the west, and is a candidate for a density transfer. Of the 9.5 acres, 2 acres are considered developable - one-acre is zoned C-S and one acre is zoned R-R. The site has been rezoned C-S and allows up to 20 units per acre, yielding 40 units for this site. Greater densities and total units may be possible pursuant to a density transfer.

Scotts Valley Drive, North of Shell Station

Additional sites for housing are available along Scotts Valley Drive. North of the Shell station on the east side of Scotts Valley Drive are three vacant parcels totaling 3.8 acres, of which 2.0 acres are developable. These three sites are all contiguous to one another and the City is actively encouraging their consolidation to provide the preconditions for a quality residential product. The sites were rezoned to R-M in 2007. Together, this site could yield 30 housing units.

Bluebonnet Lane

The Bluebonnet Lane site is a 2.5-acre site adjacent to the Cavarallo Transit Center. The site is vacant, relatively flat, and has no environmental constraints. The site is located in the City's Redevelopment Project Area and requires that 15% of the units be affordable. Along the western half of the site, there is an opportunity for higher density residential uses which would be within walking distance of public and commercial uses, such as the Community Center, Transit Center, Senior Center, and Kings Village Shopping Center. The City rezoned this site as R-VH in 2007 and approved a 48 unit project with 6 affordable units in 2008. It is hoped construction will start within the next year.

Glen Canyon

→ The City has identified 3.6 acres at the corner of Glen Canyon/Mt. Herman Road rezoned the property to C-S with high density residential permitted as part of a mixed use project. The particular site was previously approved for office buildings, which are no longer desired. The site is a vacant lot is between Oak Creek Boulevard and the Shell Gas Station and backs up to residential uses. There are no environmental or topographical constraints.

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From: Housing Opportunity
Site: 2009-14
Housing Element

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- 1 - Townhouses and condominiums conforming to density of SVMC Chapter 17.14
- 2 - Only for sites previously designated in the Housing Element; located either above ground-level commercial use or at ground level at the rear of a commercial space
- 3 - Total number of children, including those of the proprietary family, is six or less
- 4 - Total number of children, including those of the proprietary family, exceeds six
- 5 - Permitted for 25 or less occupants; conditional use for more than 25 occupants

**Chart 3-3
Housing Types Permitted by Zone**

Housing Types Permitted	Zone Districts Allowing Housing						
	R-M, R-H, & R-VH	All R-1	Rural	C-S C-SC	PD	Public/Quasi	I
Single-family dwellings	P	P	P		P	P	
Townhouses/Condos.	P	C			P		
Mixed Use				P*			
Guest/Second Units	P	P	P	P	P	P	
Multi-family dwellings	P			P*	P		
Mobile/Manufactured	P	P			P		
Family day-care homes	P		P		P	C	
Residential Care Facility	P	P	P		P	C	
Transitional housing							C
Emergency shelters				P		P	
Congregate Housing	C	C					
Faculty/Student Housing					P	C	

Source: Zoning Code, City of Scotts Valley, 2007. *Site designated in the 2002-2007 Housing Element.

C: Conditional use permit approved by Planning Commission review only

Conventional Residential

The City allows single and multiple family homes at a variety of densities. The Housing Plan is expanding the range of multiple family housing types by creating a very high density residential land use designation that can facilitate apartments, town homes, or condominiums. Second units are permitted by right provided that development is consistent with standards in State law. The City's Zoning Code was amended in 2003 to comply with State law. Guesthouses on the same lot as a primary home and which are not rented, let or leased, are permitted by right in residential zones. The City allows single- and multi-family residential units at a variety of densities, including apartments, townhomes, and condominiums. In 2003, the City's Zoning Code was amended to comply with State law, and included revisions to permit secondary dwelling units in all residential zones provided that development is consistent with standards per State law.

Mixed Residential-Commercial Use

The General Plan and Zoning Code was were revised changed in 2007 to allow mixed residential and commercial uses in the C-S and C-SC zone as a permitted use on sites listed in the 2002-2007 Housing Element with a density of 15 - 20 units per acre. The multi-family dwelling units should be located either above the ground-level commercial use or at ground level at the rear of the

commercial space. Although the Zoning Code specifies minimum development standards, in particular lot size, coverage, and height for all uses, it does not indicate desired design aspects or specific standards tailored to mixed-use projects. The Housing Plan will provide greater guidance for mixed-use projects and reduce potential constraints.

Housing for People with Disabilities

The Community Care Facilities Act requires that community care facilities serving six or fewer persons be permitted by right in all residential zones and that facilities cannot be subject to requirements that are more stringent than those imposed on single-family residences in the same district. The City's Zoning Code was changed to be consistent with state law in 2007.

Housing for People who are Homeless

Housing element law requires that jurisdictions designate a zone in which emergency shelters are permitted as a matter of right. Additionally Senate Bill 2 (SB 2) also requires local jurisdictions to consider transitional and supportive housing as a residential use, only subject to those restrictions that apply to other residential uses of the same type in the same zoning district. ~~and transitional housing is permitted, at least conditionally.~~ The City's Zoning Code allows emergency shelters in the C-S and C-SC zones (both of which are along major service and transit corridors) as well as the P/QP and I-L zones. The Zoning Code allows transitional and supportive housing as a matter of right in all residential zoning districts. ~~However, the Zoning Code does not currently have a provision for transitional housing. Chapter 5 includes a program to change the City's zoning regulations to allow transitional housing and emergency shelters as a permitted use in the C-S zoning district and the I zoning district.~~

Housing for Students

Student housing, such as dormitories or college apartments, is considered an institutional facility and is conditionally permitted in the P zoning/QP district. ~~Formerly, The the City is was home to Bethany College, which enrolls-enrolled approximately 500 full-time students. However, Bethany College closed in 2011 and there are no other similar institutional facilities located in the City which have a demand for student housing. Given the high cost of housing in North Santa Cruz County, Bethany College provides conventional and dormitory units for 300 students. Bethany's Master Plan calls for the construction of 14 duplexes for married students, 200 dormitory style units, and faculty housing as well. This will help meet the need for an estimated 1,700 new students anticipated by 2012.~~

Attachment 5

Chapter 17.20 - C-S SERVICE COMMERCIAL ZONING DISTRICT REGULATIONS

Sections:

17.20.010 - Description and purpose.

The C-S district is intended to apply to all lands designated in the General Plan as "service commercial." This district is designed to create and maintain areas accommodating city-wide and regional service that may be inappropriate in neighborhood or pedestrian-oriented shopping areas and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles.

The service commercial zone is intended to achieve the following purposes:

- A. To provide appropriately located areas for retail stores, offices, service establishments and businesses offering various ranges of commodities and services scaled to meet the needs of different geographical areas and various categories of patrons they serve;
- B. To provide opportunities for retail stores, offices, service establishments and businesses to concentrate for the convenience of the public and in mutually beneficial relationship to each other;
- [C. Reserved.]
- D. To provide adequate space to meet the needs of modern commercial development, including off-street parking and truck loading facilities;
- E. To minimize traffic congestion and to avoid the overloading of utilities by preventing the construction of buildings of excessive size in relation to the amount of land around them;
- F. To protect commercial properties from noise, odor, dust, dirt, smoke, vibration, heat, glare, heavy truck traffic and other objectionable influences incidental to industrial uses;
- G. To protect commercial properties from fire, explosion, noxious fumes and other hazards.

(Ord. 16.76 § 1(part), 1989)

→ 17.20.020 - Permitted uses.

Permitted uses are as follows:

- A. Retail establishments;
- B. Banks;

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- C. Business and personal service establishments;
- D. Emergency shelters (≤25 occupants), subject to compliance with Section 17.44.110;
- E. Medical, professional and general business offices;
- F. Radio and television broadcast studios (excluding transmission towers); and
- G. Accessory structures and uses located on the same site with a permitted use which are customarily incidental to the permitted use, including, but not limited to, incidental storage facilities and signs which pertain only to a permitted use on the premises and which are in accordance with the standards of Chapter 17.56 of this title;
- H. Multiple-family dwellings located either above the ground-level commercial use or at ground level at the rear of a commercial space on sites designated in the Housing Element;
- I. Day care centers.

(Ord. 16.76 § 1(part), 1989; Ord. 16.84 § 1, 1992; Ord. 16.87 § 3(part), 1993; Ord. 16.89 § 2, 1993; Ord. 16.123, §§ 40, 41, 9-5-2007; Ord. No. 16-138, § 5, 7-15-2015)

17.20.030 - Conditional uses.

The following conditional uses may be permitted upon the granting of a use permit in accordance with the provisions of Section 17.50.020 of this title:

- A. Animal hospitals;
- B. Automobile sales, including sale of used cars in conjunction with the sale of new cars;
- C. Automotive repair and related services (such as auto supply and detail shops) in an enclosed building. This conditional use category excludes auto body repair and auto painting as well as any other use that is incompatible with surrounding uses or that may be detrimental to the health, safety and welfare of the surrounding neighbors;
- D. Automotive service stations;
- E. Carwash;
- F. Coin-operated laundries;
- G. Commercial recreation;
- H. Equipment rental yards;
- I. Hotels and motels;
 - 1. Multiple-family dwellings located either above the ground-level commercial use or at ground level at the rear of a commercial space;
- J. Outdoor Storage;

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Attachment 6

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→ Service Commercial - retail stores and shops, food and motel/hotel establishments, services such as printing shops and electrical repair shops, heating and ventilating shops. Very high density mixed use residential is permitted, providing adjacent uses are compatible and the residential use is secondary to the retail use.

Shopping Center Commercial - retail and service establishments for the development of community and/or regional shopping centers. Examples of uses in this category would include stores, shops, and offices included in the professional office and service commercial categories, providing adjacent uses are compatible. Very high density mixed use (residential/commercial) is permitted providing adjacent uses are compatible and the residential use is secondary to the retail use.

Light Industrial - industrial and industrial related land uses are neither commercial/retail nor residential, but may create noise, odor, dust, glare, traffic, or impacts on the aquifer and/or air quality. Planning review shall assure that activities conducted on property do not unreasonably interfere with the character of adjoining land uses. There are two kinds of light industrial uses: Class 1 and Class 2.

Class 1 - land uses allowed in Class 1 shall be those that, because of their benign nature, do not expose the environment to hazard. This category could include research and development, building construction and supplies, warehousing of non-toxic materials, mechanical assembly of electronic or mechanical goods, testing, occasional "touch-up" and repair soldering, machining of wood or metals without toxic cleaners, and processing and packaging of components and finished materials. This list of examples is not inclusive of all types of industrial in Class 1. The key element is that neither toxic materials are used in manufacturing a product, nor does any process involve a change of phase/state of any material in significant quantities.

Class 2 - when the light industrial land user requires the use of toxins or involves a change of phase/state of any material in their processing, the user must obtain a Conditional Use Permit to ensure that the health, safety and welfare of adjoining land uses and the City are protected. Examples of these uses include the production of printed wiring boards, most semi-conductor processes, and wave or re-flow soldering. Under the conditional use permit process, any impact normally addressed by this process may be examined, as well as methods of handling hazardous materials and protection of the aquifer and air quality.

Heavy Industrial - industrial and industrial related uses which, because of their operations, may not be compatible with residential and commercial categories. Because of their potential to create traffic impacts, undesirable noise, odor, vibration, glare, and/or heat, land uses in this category may require special mitigation measures such as buffering from adjacent land uses. Examples of land uses include but are not limited to lumber processing; production of food and kindred products; milling of wood, heavy machinery and equipment; manufacturing of chemicals; mining and quarrying of minerals.

Attachment 7

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buildout population of 15,000 while preserving the hillsides and open spaces discussed in the other elements of the general plan. The population density figures are based on the 1990 census information of 2.5 persons per household average in Scotts Valley.

TABLE LU-1 - RESIDENTIAL DENSITIES

<u>Residential Category</u>	<u>Allowable Density</u>	<u>Population Density</u>
Very High	15.1 - 20 units/acre	37.7 - 50 psn/acre
High	9-15 units/acre	22.5-37.5 psn/acre
Medium High	5-9 units/acre	12.5-22.5 psn/acre
Medium	2-5 units/acre	5-12.5 persons/acre
Low	2 units/acre	5 persons/acre
Estate	1 unit/acre	2.5 persons/acre
Rural	1 unit/2.5 acres	1 person/acre
Mountain	1 unit/5 acres	.5 persons/acre

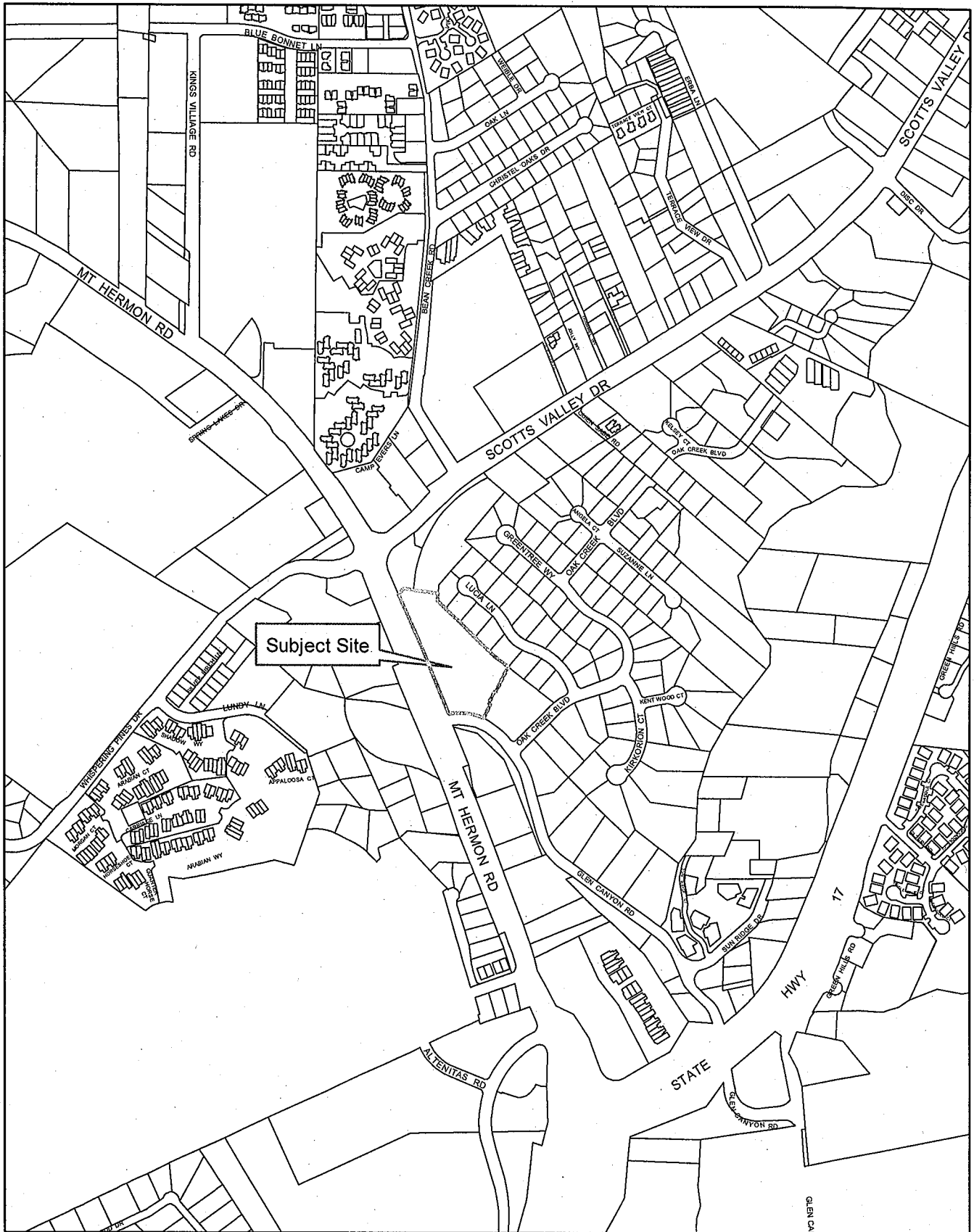
In the commercial and industrial zones, the following maximum building coverage and height limits are established, in order to control the impacts of development on the environment:

<u>Category</u>	<u>Bldg Coverage</u>	<u>Max Height</u>
Professional Comm	35%	35'
Service Comm	45%	35'
Shopping Center Comm	35%	35'
Light Industrial	50%	35'

→ The following description of various land use designations will be further refined in the zoning ordinance and through implementation of the policies and actions of the general plan.

Professional Commercial - administrative, business, and professional offices in which merchandise is not manufactured or sold. Examples of uses in this category include insurance offices; tax consulting services, real estate agencies, banks and other financial and investment services, architects and other design professional, doctors and dentists, attorneys, and similar business and professional offices.

Location Map



3640 Glen Canyon Road

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CHAPTER I

LAND USE

The land use analysis examines the pattern of existing development; that is, it examines the extent and location of land developed with various uses. Existing zoning is the implementation tool for land use. Zoning law regulates the permitted uses and densities of all land in the City. The current holding capacity analysis examines the availability of vacant land for various development uses and estimated total development potential under existing zoning.

The land use plan is intended to protect the hillside forests which provide the essential character of the Valley, develop the urban core near major transportation corridors, foster a healthy business community which can provide most of the goods and services for the City and ensure a broadly based housing supply.

Recommended by Task Force November 19, 1992
Recommended by Planning Commission to Council January 14, 1993
Accepted by City Council at Public Hearing, April 21, 1993

The Land use Element contains text, policies and a map indicating the planned location, amount and intensity of residential, commercial, industrial, public and open space lands. The stated land use policies need to be considered together with the land use map to assess the City's intentions for future development and conservation within the community. The land use map implements the goals and policies contained throughout the Scotts Valley Plan.

EXISTING AND FUTURE CONDITIONS

As of 1992, Scotts Valley was well on its way to achieving its goal of a balanced community per the 1986 general plan. The urban forest environment and convenient access to the Silicon Valley created a growth in jobs, shops and services, parks and recreation programs, and housing developments - the basic ingredients of a balanced community. An analysis of Scotts Valley's existing land uses provides an insight into those elements of the community which should be preserved and those elements which could be improved to meet the city's goals and policies. The following summarizes existing conditions and future plans for various land uses within the planning area.

Residential Neighborhoods

Residential uses include both single and multiple-family residences, apartments and condominiums and mobile home parks. These lands total 968.9 acres or about 36% of the city area. The development of the densities in the neighborhoods has been guided by the topography, geology, vegetative cover, access to transportation and service facilities. Larger lots with low densities have been developed in the hillsides with single family detached homes such as in the Whispering Pines, Granite Creek and Hacienda/Cadillac neighborhoods. Higher densities are located on the valley floor close to local shopping, public services and transportation facilities such as the Blake-Jolley-Trammel Way neighborhood, and projects along Bean Creek Road. Several mobile home parks with medium densities exist in the community such as Monteville, Spring Lakes, Vista Del Lago, and Mountain Brook. These parks provide for a variety in housing type and cost: Monteville, Spring Lakes and Mountain Brook are for seniors; Vista Del Lago has recently been converted to a family park.

In 1990, Scotts Valley had 8615 residents, with 3513 dwelling units and a projected population of 15,000 at buildout of the General Plan in the year 2015. With the adoption of a 40 year city redevelopment agency in 1990 and the AMBAG housing needs assessment showing that Scotts Valley needs to have 4883 dwelling units by 1996, the city will re-examine the land use policies and densities as described in the housing element. This re-examination should not adversely affect the single family residential neighborhoods and mobile home parks which are essentially built-out. Additional housing and increased densities would occur in the commercial areas with mixed use projects, rehabilitation of existing commercial businesses to include residential uses, infill projects on vacant residential parcels, or through general plan amendments to the land use map.

In 1991, the city adopted a planned development zone district which allows projects to be individually designed to meet the needs of the property zoned "PD". This flexibility allows a

project to be constructed at the maximum allowable density while taking into account the topography, vegetation, and other constraints to development.

The street network plays an important role in the development of the residential neighborhoods. In the hillside neighborhoods, streets are typically narrow to preserve the existing topography and vegetation. These narrow streets, however, prevent residents from using the street for guest parking since emergency vehicles must be able to pass at all times. The absence of streets and adequate access can also prevent neighborhoods from accessing shopping and service areas or other residential areas without traveling with the congestion of the work force. The neighborhoods west of Scotts Valley Drive are an example of this; residents have only one access through the city (Scotts Valley Drive). There is no local street solely for residential traffic; most of the residences are located on narrow, dead-end streets off Scotts Valley Drive. Consequently, there is no defined neighborhood west of Scotts Valley Drive, merely disjointed developments. The circulation element of the general plan addresses this issue. The lack of access also limits development east of Highway 17 along Green Hills Road. The land use designations in this area should retain large lots to limit densities until the mid-town interchange is completed, allowing motorists to access Highway 17 directly. Currently, the only access to Scotts Valley or Highway 17 is at the intersection of Glen Canyon Road and Mt. Hermon Road, which is near capacity.

Residential land uses in the unincorporated areas total approximately 1,449 acres, about 51% of the unincorporated land in the planning area. This land acreage is all single-family residential, with the majority of the residences located on large lots.

Industrial, Commercial and Office Developments

Scotts Valley developed significantly in the 1980's towards a balanced community, providing retail and service facilities as well as a job base. Approximately 140 acres or about 5% of the city land is designated for commercial uses including shopping centers, service commercial and professional offices. An additional 144 acres (5%) of the total City lands is designated industrial. In the unincorporated area, approximately 240 acres or 8% of the total unincorporated area is designated industrial.

The largest single industrial operation in the planning area is the Kaiser Quarry, located at the western edge of the Planning area, south of Mt. Hermon Road.

The industrial areas include Watkins-Johnson, north of Mt. Hermon Road, Borland International, east of highway 17 and north of Granite Creek Road, Technology Circle/Janis Way/El Pueblo between Scotts Valley Drive and Highway 17 along Carbonero Creek. The primary light industrial uses are high tech, computer oriented. Scarborough lumber, garden nursery, and home improvement center is also located in the light industrial area on Janis Way and El Pueblo, along with other building construction and supply facilities and various contractor's facilities. Borland International, a computer software company, is currently the only facility located in the Research and Development land use designation. Borland specializes in

writing software for personal computers. The city's sewer treatment plant and corporation yard, located off Lundy Lane is also designated light industrial.

Scotts Village, Scotts Valley Square and Graham Plaza, community commercial shopping centers, were developed along Mt. Hermon Road at the southern end of the city. Scotts Valley Junction, also serving the entire community, developed at the northern end of Scotts Valley Drive. The remaining areas zoned for a shopping center in Scotts Valley are located adjacent to Kings Village Shopping Center north and south of Blue Bonnet Lane and portions of the former Skypark airport property.

Service commercial zones have been designated near the highway interchanges and along Mt. Hermon Road and Scotts Valley Drive where the uses can benefit from the access. These commercial areas were intended to rely on customers making trips by car, rather than from being in high volume pedestrian areas such as shopping centers. Along Mt. Hermon Road, Pinnacle Pass, a portion of Camp Evers and a portion of the former Skypark airport have yet to redevelop; most of the remaining commercial areas are developed. The service commercial zones along Scotts Valley Drive, however, have not developed as expected. The condition of the pavement has deteriorated, lots tend to be small which restricts development possibilities, landscaping and frontage improvements are sporadic and largely nonexistent; redevelopment has yet to occur.

Professional-Administrative offices are designated in the land use plan to provide local employment opportunities for planning area residents. These areas are for administrative, business, and professional offices in which merchandise is not manufactured or sold. Examples of uses in this category are insurance offices; tax consulting services, real estate agencies, banks and other financial and investments services, architects other design professionals, doctors and dentists, attorneys, and similar business and professional offices.

According to city business licenses, in the 1980-81 fiscal year, there were 405 businesses, employing 1540 persons. By July, 1992, there were approximately 580 businesses in Scotts Valley with over 6,300 full and part-time workers. Based upon the 1990 census, an estimated 16% of these workers live in Scotts Valley, 47% lived in the Monterey-San Benito-Santa Cruz tri-county area, and the remainder commuted from outside the Santa Cruz area. The location of one's place of work compared with their place of residence plays a crucial role in traffic patterns, commuting time, energy consumption, noise and air pollution.

In the future, Scotts Valley is expected to grow to support an employment base of about 12,000, assuming buildout of all lands on the General Plan at maximum densities (Table LU-1, LU-2, and LU-3). These workers will represent a wide range of professional, managerial, clerical and other jobs in a variety of industries.

The street network currently limits development of the service facilities and possible job base along Scotts Valley Drive. The Drive is the only access to the industrial areas and commercial properties along the strip. There are few public improvements and the pavement is deteriorated. New businesses are not attracted to the area and commuters must access the industrial area from the north or south part of the city. A mid-town interchange and completion of the Scotts Valley

Drive improvements would stimulate development of projects and contribute to the job base. The proposed street system is described in the circulation element of the General Plan.

Public/Quasi-Public Facilities and Open Space Areas

The public/quasi public category includes both public and private educational facilities, emergency services, health care facilities, religious facilities, governmental buildings, cultural facilities, and parks. The senior center, city hall, post office, fire department and water district office are some of the public land uses. These uses total 128 acres within the city, or about 5% of the lands, of which schools make up the majority of the land use. Public and quasi-public uses outside the city limits total approximately 71 acres or about 2.5% of the unincorporated lands.

Open space lands are generally described under one of four categories: areas used for outdoor recreation; areas designated for preservation of natural resources (wildlife habitat, rivers, watershed lands, etc.); areas of managed production of resources (mineral resources, forest lands); and areas where public health and safety hazards exist, such as steep slopes and unstable soil areas. The open space element of the General Plan describes these areas in detail.

Scotts Valley's parks are described in the Parks Master Plan, adopted by the City Council in 1990, and in the parks and recreation element of this general plan. The goal of the city is to have 3 acres of active park land per 1,000 population. This would total 45 acres at buildout. The Parks and Recreation Commission continue to analyze the various neighborhoods by surveying the residents, examining vacant lands, and recommending amendments to the Parks Master Plan in order to provide an adequate system of parks for each neighborhood as well as community parks throughout the city. The city will continue to acquire and improve its parks through its park dedication ordinance as well as requiring the provision of private open space within residential developments to serve the needs of the residents of specific projects.

Wildlife habitat, rivers, and watershed lands designated for preservation of natural resources as well as the forest lands and mineral resource areas are described in the Open Space and conservation element of this general plan. The Safety element shows areas where public health and safety hazards exist due to unstable soil areas, fault zones, floods, etc. These areas will be designated open space during the development review process. The ridgelines along the east and west sides of the valley are characterized by scattered low density, single family residential development of mostly steep and wooded hillsides. These ridges are of special concern to valley residents because of their prominence, steep terrain and wooded vegetation, all visible from the valley floor.

Agricultural land uses in the unincorporated planning area of Scotts Valley represent the second largest land use. In 1986, 469.3 acres (about 16.5% of the unincorporated area) were devoted to grazing, farming, animal husbandry, and other related agricultural uses. The major agricultural land use areas were located on the east side of Highway 17, along the northern boundary of the Planning area, and north of the former Skypark Airport.

GENERAL PLAN LAND USES

The General Plan establishes seventeen land use categories with which development must be consistent. The General Plan Land Use Map indicates the general location of these land uses within the Planning Area. If a project is proposed which is inconsistent with the General Plan Land Use Map, the owner of the property may apply for a General Plan Amendment. The City Council must be able to make a specific finding that the proposed amendment to the General Plan is in the public's interest or deny the amendment. Amendments to each required General Plan element are allowed up to four times per year.

The zoning process consists of the rezoning of lands within the incorporated City limits (or the rezoning of property proposed for annexation) from one zoning district to another. The rezoning of property directly implements the land use designations as shown on the Land Use Map since, by state law, the rezoning of property must be consistent with the General Plan.

Zoning applications are reviewed by various City departments for consistency with City Council and General Plan policy, as well as to identify specific public improvements and requirements such as streets, storm and sanitary sewer and street lights. Review by other public agencies is also incorporated in the zoning process as appropriate.

Zoning changes take two forms: conventional zoning and Planned Development overlay zoning. Conventional zoning districts contained in the City's Zoning Ordinance include a range of allowed land uses, development intensities and standards within the major land use categories: residential, commercial and industrial, together with zoning districts for other land uses such as Public/Quasi-Public and Open Space. The various ranges of allowed use and development intensity correspond generally to the respective General Plan land use designations, thereby allowing the application of a zoning district to a property which implements the land use intended by the General Plan.

Planned Development zoning reflected in a General Development Plan and adopted by the City Council provides the means to tailor zoning regulations and to apply specific standards for the development of a particular site. This process enables the City Council to consider the unique characteristics of a site and its surroundings to better implement the citywide objectives, goals and policies of the General Plan and to provide site-specific development standards. Anytime Planned Development zoning is utilized, the standards established for the zoning district which reflects the General Plan designation are tailored as part of a General Development Plan. Tailored zoning regulations include, but are not limited to, site intensities, location, height, coverage and appearance of structures.

The second phase of a Planned Development zoning process, the Planned Development permit, is a site/architectural permit which implements the approved Planned Development overlay zoning of the property.

There are eight residential categories in the land use plan, with various population and dwelling unit densities as shown in table LU-1. Development at the designated densities will achieve the

buildout population of 15,000 while preserving the hillsides and open spaces discussed in the other elements of the general plan. The population density figures are based on the 1990 census information of 2.5 persons per household average in Scotts Valley.

TABLE LU-1 - RESIDENTIAL DENSITIES

<u>Residential Category</u>	<u>Allowable Density</u>	<u>Population Density</u>
Very High	15.1 - 20 units/acre	37.7 - 50 psn/acre
High	9-15 units/acre	22.5-37.5 psn/acre
Medium High	5-9 units/acre	12.5-22.5 psn/acre
Medium	2-5 units/acre	5-12.5 persons/acre
Low	2 units/acre	5 persons/acre
Estate	1 unit/acre	2.5 persons/acre
Rural	1 unit/2.5 acres	1 person/acre
Mountain	1 unit/5 acres	.5 persons/acre

In the commercial and industrial zones, the following maximum building coverage and height limits are established, in order to control the impacts of development on the environment:

<u>Category</u>	<u>Bldg Coverage</u>	<u>Max Height</u>
Professional Comm	35%	35'
Service Comm	45%	35'
Shopping Center Comm	35%	35'
Light Industrial	50%	35'

The following description of various land use designations will be further refined in the zoning ordinance and through implementation of the policies and actions of the general plan.

Professional Commercial - administrative, business, and professional offices in which merchandise is not manufactured or sold. Examples of uses in this category include insurance offices; tax consulting services, real estate agencies, banks and other financial and investment services, architects and other design professional, doctors and dentists, attorneys, and similar business and professional offices.

Service Commercial - retail stores and shops, food and motel/hotel establishments, services such as printing shops and electrical repair shops, heating and ventilating shops. Very high density mixed use residential is permitted, providing adjacent uses are compatible and the residential use is secondary to the retail use.

Shopping Center Commercial - retail and service establishments for the development of community and/or regional shopping centers. Examples of uses in this category would include stores, shops, and offices included in the professional office and service commercial categories, providing adjacent uses are compatible. Very high density mixed use (residential/commercial) is permitted providing adjacent uses are compatible and the residential use is secondary to the retail use.

Light Industrial - industrial and industrial related land uses are neither commercial/retail nor residential, but may create noise, odor, dust, glare, traffic, or impacts on the aquifer and/or air quality. Planning review shall assure that activities conducted on property do not unreasonably interfere with the character of adjoining land uses. There are two kinds of light industrial uses: Class 1 and Class 2.

Class 1 - land uses allowed in Class 1 shall be those that, because of their benign nature, do not expose the environment to hazard. This category could include research and development, building construction and supplies, warehousing of non-toxic materials, mechanical assembly of electronic or mechanical goods, testing, occasional "touch-up" and repair soldering, machining of wood or metals without toxic cleaners, and processing and packaging of components and finished materials. This list of examples is not inclusive of all types of industrial in Class 1. The key element is that neither toxic materials are used in manufacturing a product, nor does any process involve a change of phase/state of any material in significant quantities.

Class 2 - when the light industrial land user requires the use of toxins or involves a change of phase/state of any material in their processing, the user must obtain a Conditional Use Permit to ensure that the health, safety and welfare of adjoining land uses and the City are protected. Examples of these uses include the production of printed wiring boards, most semi-conductor processes, and wave or re-flow soldering. Under the conditional use permit process, any impact normally addressed by this process may be examined, as well as methods of handling hazardous materials and protection of the aquifer and air quality.

Heavy Industrial - industrial and industrial related uses which, because of their operations, may not be compatible with residential and commercial categories. Because of their potential to create traffic impacts, undesirable noise, odor, vibration, glare, and/or heat, land uses in this category may require special mitigation measures such as buffering from adjacent land uses. Examples of land uses include but are not limited to lumber processing; production of food and kindred products; milling of wood, heavy machinery and equipment; manufacturing of chemicals; mining and quarrying of minerals.

Public/Quasi-Public - public and private educational facilities, emergency services, health care facilities, religious facilities, governmental buildings, and cultural facilities.

Open Space - areas for the conservation of the community's natural or scenic resources. Appropriate open space areas include wetlands and open water, plant and wildlife habitats, timber production zones, farmlands and grazing areas, and park and recreational areas.

Special Treatment Areas - The Special Treatment Area ("STA") overlay designation is established for areas where planned developments or some form of special treatment is required to allow future development. Bethany College ("BCSTA"), the mid-town interchange ("MTISTA"), Camp Evers ("CESTA") area and Mt. Hermon Road near Highway 17 ("MHRSTA") are designated special treatment areas.

The BCSTA is approximately 80 acres in size with approximately 26 acres of buildable area. The area is located at the northern portion of the City, west of Highway 17. The area is bordered on the west by Bethany Drive/Bethany Way and on the east by Scotts Valley Drive. The center portion of the BCSTA includes parcels around Gaston Circle. Buildable areas are those areas where the slopes are generally less than 10%. Development has already occurred to some extent in the buildable areas. The sole access to the Bethany area is via Bethany Drive. Most of the built and buildable areas of the existing college lie in the narrow valleys between the hills at elevations of 800 to 850 feet. Development includes single family dwellings, student housing, a new 15,000 square foot office building, child daycare center, church, gymnasium, and other college related buildings and uses. Approximately 16 lots are developed with single family homes under separate ownership from the college. These single family homes under separate ownership from the college will be permitted additions or modifications to the existing structures based upon zoning regulations applicable to the R-1-10 zoning district. The remaining properties in the BCSTA will be developed under the Planned Development zoning regulations. The land use for these properties in the BCSTA will reflect a mix of commercial, residential, park, and open space designations similar to the existing campus in order to minimize traffic impacts and disruption to the surrounding residential neighborhood.

The MTISTA includes properties east and west of State Highway 17, located half way between the Granite Creek and Mt. Hermon Road overpasses. The Circulation element proposes a new interchange to be developed in this area within the next 5-15 years to provide direct access to Green Hills Road and alleviate congestion on Mt. Hermon Road and Scotts Valley Drive. The current access to properties on Green Hills Road is from Mt. Hermon Road to Glen Canyon Road to Green Hills Road. Access from the north is barricaded for emergency access only. Future development of the vacant properties on Green Hills Road must include design and development of an alternative access to alleviate the congestion on Mt. Hermon Road and Glen Canyon Road. Land use designations for the properties in the MTISTA will not be changed until the mid-town interchange is ensured.

The MHRSTA includes properties fronting Mt. Hermon Road on the east between State Highway 17 and Glen Canyon Road. The purpose of the MHRSTA is to develop a plan coordinating circulation and land uses for all the properties to limit ingress and egress along Mt.

Hermon Road. The plan should consider construction of an access road to reduce vehicular conflict; the plan should provide rear access across a bridge from Glen Canyon Road to provide properties in the MHRSTA with access to Glen Canyon Road.

One new land use designation is proposed in the General Plan. This is a Residential - Very high (15.1 - 20 units/acre). This district is being added to accommodate housing needs established in the Housing Element. The lowest residential densities are maintained in the hillsides by designating the land rural and mountain residential. The highest residential densities are located along transportation corridors where services are available. Almost all of the industrial areas are developed; no new areas are being proposed for industrial designation. Areas designated Open Space have been expanded to include the parks described in the Parks Master Plan.

HOLDING CAPACITY

Holding capacity is the maximum development of a community that can be accommodated if all land uses shown on the General Plan Map were to be built. Any amendments to the General Plan Map will, in turn, affect Scotts Valley's holding capacity. Capacity is expressed in terms of population, housing units, square footage and jobs at buildout, in the year 2015 or beyond.

If all the residential land shown on the General Plan Map were built out, Scotts Valley would contain approximately 6,500 housing units which would support a residential population of about 15,000 persons.

This holding capacity estimate assumes that residential land uses are built to maximum densities, and household size will remain at 2.5 persons per household. Adding the dwellings in the unincorporated planning area, the population in the planning area in the year 2005 would be approximately 16,000.

If all the industrial, commercial, office and other employment generating land in the incorporated areas were built out, Scotts Valley would contain approximately 6.2 million square feet of building floor area - enough to support about 12,000 jobs. This holding capacity estimate assumes that employment generating uses are built at maximum densities, and employment growth will continue at approximate current rates. Table LU - 3 summarizes the number of acres of each land use designated within the Scotts Valley city limits.

TABLE LU - 2
VACANT
RESIDENTIAL LAND* - OCTOBER 1992

<u>Land Use</u>	<u>Zoning</u>	<u>Gen Pln Range</u>	<u>Total Vacant Acres</u>	<u>Number of New Dwelling Units At Buildout</u>
Mountain	RMT-5	1/5	25	5
Rural	RR 2.5	1/2.5	203	82
Estate	R-1-40	1/acre	46	46
Low	R-1-10	2/acre	71	142
Medium	R-1-20	2-5/acre	91	182-455
Med High	RM-6 RM-8	5-9/acre	25	125-225
High	RM-15	9-15/acre	12.8	115-192
Very High	R-VH	15.1 - 20/acre	11	168-220
TOTAL			481	831-1,310

*Includes properties with no improved value from Tax Assessor, plus Skypark property within City limits.

TABLE LU - 3
HOLDING CAPACITY - OCTOBER 1992

Category	Existing	Underdeveloped or Vacant	Maximum Potential	Holding Capacity
Single Family Residential	4,139 units*	586 acres	930 units	5,069 units
Multiple Family Residential	826 units **	45 acres	580 units	1,406 units
Commercial	2,000,000 sq ft			
Industrial	2,700,000 sq ft			

* California State Department of Finance, January 1992 (3,732 dwelling units); includes Glenwood-276 units, Heritage Parks-81 units, and Green Hills Estates-50 units.

** Includes Alpine Terrace-29 units (California State Department of Finance - 797 dwelling units).

TABLE LU - 4
DEVELOPMENT POTENTIAL - UNINCORPORATED PLANNING AREA

<u>Category</u>	<u>Existing Dwelling Units</u>		<u>Potential** Dwelling Units</u>	<u>Holding Capacity</u>
Residential	689*	+	188	877

*Based upon properties with improved values from 1992 tax assessments (\$1,500 +).

**Ron Powers, Santa Cruz County Planning, November 1992 (105 DU plus 83 DU Skypark property in Santa Cruz) (11.5 acres/RM6000)

Another source of potential residential development is the vacant service commercial zones. With the emphasis on providing housing along transportation corridors, the increasing scarcity of vacant land and the zoning regulations which allow mixed uses, the City expects to see multi family units developed in the service commercial zones. The most recent developments have averaged 9 dwelling units per acre. With approximately 42.5 acres of vacant service commercial land, an estimated 382 dwelling units could be constructed.

POPULATION AND EMPLOYMENT PROJECTIONS

Residential growth in Scotts Valley has averaged 3.11% between 1960-1990. Assuming this rate of growth will be sustained, projections of population growth can be made to buildout of the General Plan. A population of 13,639 will be reached by the year 2005 and 15,000 holding capacity by the year 2008. However, the Association of Monterey Bay Area Governments October 9, 2002, population projections for Scotts Valley show a population of 13,182 in 2005, 13,667 in 2010 and 13,864 in 2015. The average growth rate in Scotts Valley is currently less than the 3.11% growth rate which was in place before 1990.

Employment growth in Scotts Valley has been estimated based upon past growth in city business licenses. Based upon a 7.7% annual employment growth between 1982 and 1990, Scotts Valley will have a projected job base of 8916 by the year 2000. At buildout, the projected job base would be approximately 12,000 employees. Table LU-5 shows this calculation.

TABLE LU - 5
PROJECTED EMPLOYMENT AT BUILDOUT

	<u>Potential Sq Ft</u>	<u># Employees</u>
Commercial Zones*	1,400,000	3,920
Industrial Zones**	120,000	329
1992 Employment		6,300
Borland, Phase I & II		1,800
		12,349

* 2.8 persons/1,000 sq ft ITE, 1991, Average General Office, Single Tenant and Specialty Retail.

** 2.74 persons/1,000 sq ft ITE, 1991, Average Business Park and R&D.

THE RELATIONSHIP OF JOBS AND HOUSING

The relationship between jobs and housing is a complex and often misunderstood issue which affects all communities. Workers choose jobs and residential locations based on a variety of personal, financial and locational factors, not simply on the basis of commute area. A certain percentage of workers will choose to live great distances away from their place of employment. The essence of the jobs/housing issue is to recognize these different types of commute behavior and provide adequate housing opportunities within the commute area desired by each group of workers.

Planning to accommodate this diversity of commute patterns involves identifying and providing for employment generated housing needs. From a practical perspective, fulfillment of this responsibility is a regional concern which must allow for locational differences and varying needs among communities within the larger commute distance. To date, the balance of jobs/housing/employment throughout the region has not been analyzed. The Draft Congestion Management Program of the Santa Cruz County Regional Transportation Commission and LAFCO have alluded to such an analysis but neither has progressed with developing region-wide information. Scotts Valley will continue to assess land use patterns based upon reducing single occupancy vehicles, providing its fair share of regional housing and providing jobs, housing, and services for its residents.

LAND USE

GOAL

LG-1 TO PROMOTE A RANGE OF LAND USES TO ENSURE A BALANCED COMMUNITY.

Objective

LO-2 To designate a variety of residential uses.

Policy

LP-3 The City shall promote the availability of adequate sites for a variety of housing types and densities consistent with Housing Element goals and environmental constraints.

Actions

LA-4 The Planning Director shall maintain a map of available residential land uses and shall provide an annual report to the City Council on the availability of housing sites to meet all City needs.

LA-5 The City shall re-designate, as appropriate, non-residential land uses for residential use to meet the identified housing demand if the report of the Planning Director so justifies it.

LA-6 When identifying and zoning available housing sites, utilize AMBAG, State Department of Finance, and any other agency housing data base information as reference to help to determine short-term and long-term housing type and density needs.

LA-7 Zone vacant infill sites at densities sufficiently high to encourage development, while respecting the character of surrounding uses.

LA-8 Zone highest densities along transportation corridors.

LA-9 Retain Planned Development zone in the municipal code to allow flexibility in residential development.

LA-10

LA-11 Amend the Zoning Ordinance to allow residential mixed use projects such as daycare, neighborhood retail, and businesses as long as the uses are compatible with residential use.

- LA-12 The Bethany College area shall be designated as a special treatment area. All future development of the Bethany College area shall be reviewed and considered under the Planned Development zoning regulations.
- LA-13 Implement the land use policies and site design solutions embodied in the Glenwood and Skypark specific plans through rezoning, discretionary permits and approvals. Nothing contained in the General Plan shall be interpreted as inconsistent with the Glenwood or Skypark specific plans as they may be amended from time to time or readopted in an amended form.
- LO-13.1 Objective
Ensure that residential developments maintain the City's aesthetics.
- LP-13.2 Policy
Public art, consistent with the urban forest concept or adopted design guidelines, should be incorporated into residential projects where feasible.
- LA-13.3 Action
Subdivisions or multiple family development of greater than four residential units should incorporate artistic elements and/or treatments into structures, landscaping, common areas, or open space, as approved by the City.
- LP-14 Policy
In areas where the existing lot pattern or size makes development difficult, the City shall encourage lot consolidation to provide larger sites or alternative patterns for residential development.
- LA-15 Action
Identify those areas where lot consolidation would provide sites more suitable for residential development. Acting as the Redevelopment Agency, develop a program to encourage lot consolidation in identified areas in order to promote planned development.
- LO-16 Objective
Provide for residential densities consistent with slope conditions.
- LP-17 Policy
Land use densities should decrease with increasing land slope.

Actions

- LA-18 The City shall amend the zoning ordinance to encourage construction on the flat or gently sloped areas of a parcel and discourage construction on steeper slopes:
- LA-19 Those areas of a parcel with slopes of less than 25% could be considered for construction consistent with sound development and planning principles.
- LA-20 Land sloped 25% or greater may be considered for a "density transfer" requiring the steeper slopes to be preserved with no disruption and "transferring" the units that would be allowed on the slopes of 25% or greater for construction on the more level portions of the parcel, if these portions are otherwise suitable for higher densities.
- LA-21 Land over 40% slope shall be preserved as open space, with no construction of any kind with the exception of quarry reclamation. During the development of the site the density for the 40% slopes may be transferred for construction into the areas with a slope of less than 25% if these areas are otherwise suitable for higher densities.
- LA-22 Any density transfer developments may be pursued under the planned development ordinance.
- LA-23 Tree covered slopes, no matter what the percent of slopes, should be preserved to the maximum extent possible.

Objective

- LO-24 Ensure compatibility between residential development and surrounding land uses.

Policy

- LP-25 The City shall prohibit new land use activities within and in close proximity to residential zones that generate undesirable impacts which cannot be mitigated.

Action

- LA-26 Through the environmental and permit review process, the City shall identify projects which could impact residential zones in a negative manner, and if such impacts cannot be mitigated, the City shall deny the project.

Objective

- LO-27 Provide sufficient acreage to promote planned commercial development.

- LP-28 Policy
The City shall promote availability of commercial sites to accommodate a mix of professional office, service commercial, and shopping center developments consistent with the environmental, service, and economic goals of the City.
- LA-29 Actions
Maintain a map of vacant land and land that could be redeveloped that is available for commercial development. Update the map once per year and make it available to developers.
- LP-30 Policy
In areas where the existing lot pattern or size makes development difficult, the City shall encourage lot consolidation in order to promote planned commercial development.
- LA-31 Action
Identify those areas where lot consolidation would provide sites more suitable for commercial development. Acting as the Redevelopment Agency, develop a program to encourage lot consolidation in identified areas in order to promote planned development.
- LO-32 Objective
Ensure that commercial developments maintain the City's aesthetics.
- LP-33 Policy
Commercial developments shall be designed and screened in an attractive manner and thereafter maintained so as to integrate the entire development visually with the overall natural beauty of the Planning Area.
- LA-34 Actions
Commercial development shall be conditioned to install landscaped areas on no less than 10% of the total site area. Landscape maintenance agreements shall be made a condition of permit issuance. This shall be added to the Design Review Guidelines
- LA-35 The City's Mission Statement describing the character of the City and design standards associated with that character shall be incorporated into the Design Review Guidelines. The Design Review Guidelines shall be approved by the Council and Planning Commission.
- LA-36 The City shall pursue a program of amortization and require abatement of those signs not in conformance with the ordinance.

- LP-36.1 Policy
Commercial development should include public art.
- LA-36.2 Actions
Commercial development should incorporate artistic elements and/or treatments into the architecture, landscape design, and infrastructure where appropriate.
- LA-36.3 Public art shall become part of the design review guidelines and made available to developers, architects, landscape designers, city committees and commissions. All public art shall be reviewed by the Planning Commission.
- LO-37 Objective
Ensure compatibility between commercial development and surrounding land uses.
- LP-38 Policy
Land uses located adjacent to commercial uses should be protected from excessive noise, unsightliness, offending odors and other nuisances.
- LA-39 Actions
Amend the Zoning Ordinance to encourage transportation management, trip reduction and alternative transportation in all new commercial development.
- LA-40 Mt. Hermon Road from Highway 17 to the Glen Canyon Road intersection should be treated as a special treatment area.
- LA-41 During the environmental and development review process, identify potential impacts that commercial developments will have on other community land uses. Require mitigation of such impacts.
- LA-41.1 Require the 16.5 acre sand quarry site west of Scotts Valley Drive opposite El Pueblo Road to be developed as a planned development to ensure maximum aquifer recharge, hillside stabilization, appropriate circulation, and conservation of the open space in the redwoods at the rear of the site.
- LA-42
- LA-43 Lighting of commercial areas shall be carefully 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. Include these requirements in the Design Review Guidelines

LA-44 New Commercial developments shall be required to provide to the City a trip generation and distribution analysis as a part of the project plans. The City should review and evaluate this analysis for impacts to residential zones.

LP-45 Policy
Commercial land uses should be concentrated along the urban core of the City.

LO-46 Objective
Provide appropriate space within the Planning Area for light industrial development.

LO-47 Objective
Ensure that industrial developments maintain the City's environmental quality.

LP-48 Policy
All industrial uses shall be low potable water users and low waste water generators.

LA-49 Actions
Through the environmental review and permit process, determine the water demand and sewage generation rate for proposed industrial developments.

LA-50 The City shall build a tertiary wastewater treatment plant and where feasible, reclaimed water shall be used for all landscaping and industrial processes.

LA-51 All industrial development shall be required to maximize their use of water-conserving plumbing fixtures. The City shall ensure compliance with State mandated water conservation regulations.

LP-52 Policy
Industrial land use which generates pollution in excess of local standards shall be required to mitigate such generation to an acceptable level.

LA-53 Action
Review industrial land use for pollution hazards. Require industrial land uses to meet emission standards as administered by such regulators as Monterey Bay Unified Air Pollution Control District, Hazardous Materials Officer, and Regional Water Quality Control Board.

Policy

- LP-54 Industrial structures and all other site improvements shall be designed to blend with the physical surroundings.

Actions

- LA-55 All new industrial developments or expansions of existing industrial land uses must be designed and sited consistent with the City's Mission Statement and be reviewed and approved by the Design Review Board prior to final project approval.
- LA-56 Industrial development shall be conditioned to install landscaped areas on no less than 10% of the total site area. Landscape maintenance agreements shall be made a condition of permit issuance. This shall be included in the Design Review Guidelines.

Policy

- LP-56.1 Industrial structures and site improvements should include artistic elements and/or treatments into the architecture, landscaping design and infrastructure, where appropriate. All public art shall be reviewed by the Planning Commission.

Objective

- LO-57 Ensure that industrial areas are compatible with and do not adversely impact surrounding land uses.

Policy

- LP-58 The City shall require buffers and landscaping in industrial developments to ensure compatibility with adjacent land uses and mitigate any potential adverse impacts.

Actions

- LA-59 During the environmental and development review processes, identify potential impacts that industrial developments will have on other community land uses. Require mitigation of such impacts.
- LA-60 Lighting of industrial areas shall be carefully 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.

Policy

- LP-61 Industrial uses shall not be located or established so as to increase traffic in surrounding residential areas.

Actions

LA-62 New industrial developments shall be required to provide to the City a trip generation and distribution analysis as a part of the project plans. The City should review and evaluate this analysis for impacts to residential zones.

LA-63 Amend the zoning ordinance to encourage transportation management, trip reduction and alternative transportation in all new industrial development.

Policy

LP-64 Industrial uses should be well served by major roads and should have relatively direct access to the freeway.

Actions

LA-65 The City will continue to work with CALTRANS and property owners to develop a mid-town interchange from the industrial area to Green Hills Road.

LA-66 The mid-town interchange shall be included in a special treatment area to ensure that development of properties on Green Hills Road have direct access to Highway 17 prior to any construction. After ensuring the development of the interchange, land on the eastern side of Highway 17 may be re-designated for more intense use.

Objective

LO-67 Provide coordinated, ongoing planning for public and quasi-public service facilities.

Policy

LP-68 The City shall designate areas for new public and quasi-public facilities and accessory facilities commensurate with the identified need. These facilities shall be conveniently located in or near the areas where they are intended to serve.

Actions

LA-69 The City shall develop an annual report on the status of public and quasi-public services and facilities within the City. The report shall identify the need for new City facilities based on existing and anticipated demand and set forth an acquisition and funding program. Acquire private lands as necessary to develop new facilities.

LA-70 Work with utility providers to identify future utility expansion needs. Obtain easements from property owners to extend private utilities and/or promote cooperation between utility providers and property owners for the purpose of acquiring easements or rights of way for utility expansions.

Objective

LO-71 Ensure the comprehensive and long-range preservation and conservation of open space land.

Policy

LP-72 Preserve open space areas for protection of public health and safety, provision of recreational opportunities, and protection of natural resources.

Actions

LA-73 The City shall require new residential developments to dedicate park land and/or to contribute park in-lieu fees to the City that enable the purchase of additional park land, or to provide recreational facilities, or to maintain existing parks consistent with the Parks Master Plan.

LA-74 The City shall encourage clustering of structures to maximize the usable or preserved open space in or adjacent to developments.

LA-75 Except where identified as a required circulation improvement in an adopted Specific Plan, during development review, hillsides with 40% slope or more shall be left undisturbed and undeveloped after project is complete.

LA-76 During the environmental review and permit process, the City shall identify potential open space and recreation resource demands created by new commercial and industrial developments and require such developments to provide on-site open space and/or landscaped areas to satisfy that demand. This shall be accomplished through site planning and design methods, such as clustering, building coverage limitations, providing landscaped areas, or any other method deemed appropriate by the City. All on-site open space areas shall be maintained by the landowner. As an alternative to providing on-site open space and recreation, the development may participate with adjacent or neighboring developments to create a common-use recreational facility.

LA-77 Maintain riparian corridors as open space.

LA-78 During development review, consider habitat migration paths and corridors and provide protection as appropriate.

- LA-79 As part of the environmental review process for new developments, identify native plant communities or rare or endangered species habitats that would be significantly adversely impacted. Where appropriate, designate those areas as open space.
- LA-80 Zone existing and proposed City parks as open space, consistent with the Parks Master Plan.
- LA-81 Prominent Ridges and Features identified in figure OS-1 of the Open space and Conservation Element of the General Plan shall be designated open space during development of the sites.
- Objective
- LO-82 Ensure development of the Glenwood Estates and Skypark properties in accordance with their adopted Specific Plans as they may be amended from time to time.
- Policy
- LP-83 Nothing contained in the General Plan shall be interpreted as inconsistent with the Glenwood Estates or Skypark Specific Plans as they may be amended from time to time or readopted in an amended form.
- Action
- LA-84 Implement the land use policies and site design solutions embodied in the Glenwood and Skypark Specific Plans through rezoning, development agreements, and discretionary permits as approved by the City Council, and consistent with the environmental analysis and mitigation measures set forth in the certified Final and Supplemental EIR's affecting each property, as deemed appropriate by the Council.

HOUSING RESOURCES

Chapter 4



This section analyzes resources available for the development, rehabilitation, and preservation of housing in Scotts Valley. This includes an evaluation of the City's regional housing need, availability of land for new housing, the availability of financial resources to support housing activities, and the availability of administrative resources to assist the City in implementing housing programs.

A. Regional Housing Needs

1. Regional Housing Needs

State law requires each jurisdiction when preparing its State-mandated Housing Element, to develop housing programs to meet its "fair share" of housing needs for all income groups. This "fair share" concept seeks to ensure that each jurisdiction, to the extent feasible and appropriate, provides housing for its resident population, and those households who might reasonably be expected to reside within the jurisdiction, with a variety of housing accommodations appropriate to their needs.

Senate Bill (SB) 375, passed into law in 2008, requires the coordination of housing planning with regional transportation planning through the region's Regional Transportation Plan/Sustainable Community Strategy (MTP/SCS). This in effect entails consistency in growth forecasts for land use, housing, and transportation purposes. SB 375 requires that the RHNA and MTP/SCS process be undertaken together in order to integrate housing, land use, and transportation planning to ensure that the state's housing goals are met. Prior to SB 375, RHNA was updated every five years and the MTP was updated every four years. Because SB 375 requires better coordination between transportation planning with land use and housing planning, the RHNA process is now tied to the adoption of every two cycles of the regional MTP/SCS. As a result, each local jurisdiction is required to update its housing element every eight years instead of every five years.

The regional fair share determination process begins with the State Department of Finance's population projections for the State of California and the many regions throughout the state. The State Department of Housing and Community Development (HCD) use these projections to determine the amount and composition of housing need in different regions of California. The region's housing need projections are determined in consultation with the Council of Governments, which are designated public agencies which address regional planning in each region of the State.

Once the regional housing need for Santa Cruz County and Monterey County is determined, the Council of Governments allocates a share of the region's housing

need to each jurisdiction. In the Monterey County and Santa Cruz County area, the agency responsible for assigning "fair share" housing targets to each community is the Association of Monterey Bay Area Governments (AMBAG). Local jurisdictions are then required, as part of the Housing Element process, to develop local programs to accommodate their share of housing need.

Based upon Statewide population projections, HCD determined that 10,430 housing units would address the region's housing needs for the 2015-2023 planning period due to population and employment growth.

Once basic housing need is calculated for the region, AMBAG is required to allocate the region's total to each community within the AMBAG region. In doing so, AMBAG must take into account various planning factors. These factors were used as justification for reductions or increases to the baseline distribution based on AMBAG's adopted methodology. According to Section 65584 of the Government Code, these considerations are:

- Existing and projected jobs and housing relationship;
- Opportunities and constraints to development of additional housing;
- Distribution of household growth assumed for a comparable period in the regional transportation plan and opportunities to maximize the use of public transportation and existing transportation infrastructure;
- Market demand for housing;
- Agreements between counties and cities to direct growth toward incorporated areas;
- Loss of units contained in assisted housing developments;
- High housing cost burdens;
- Housing needs of farmworkers;
- Housing needs generated by the presence of a private university or a campus of the of the California State University or the University of California; and
- Any other factors, as determined by AMBAG.

The RHNA methodology was approved by the Board of Directors and reviewed by the Planning Directors Forum. The adopted RHNA methodology distributes the regional figure on a jurisdiction's proportional share of housing and jobs.

2. Scotts Valley's Housing Need

Once the region's housing need was allocated to Santa Cruz and Monterey counties, each jurisdiction was allocated a share of the County's need. To make this allocation, AMBAG determined the amount of household growth projected for each jurisdiction. The ratio of a jurisdiction's household growth versus the County's projected household growth was then applied to the County's total housing need.

State law requires that AMBAG allocate housing unit goals in such a manner as to avoid and reduce the disproportionate concentration of lower income households in any one jurisdiction. To that end, AMBAG compared the existing household income distribution of each jurisdiction to the County, based on the assumption that all cities should eventually provide the same affordability levels of housing.

Chart 4-1 below summarizes the City's allocation of the region's housing needs by affordability level.

Chart 4-1
Scotts Valley's Regional Housing Needs Projection Goals

Income Group	Definition	Number of Units	Percent of Total
Very Low ¹	<50% of County MFI	34	24.1%
Low	51-80% of County MFI	22	15.7%
Moderate	81-120% of County MFI	26	18.2%
Above Moderate	120%+ of County MFI	58	42.0%
Total		140	100%

¹Extremely Low-Income Households considered 50% of Very Low-Income Households= 17 households.
Source: Regional Housing Needs Allocation Plan: 2014-2023, AMBAG, 2014.

The City is required to facilitate and encourage the production of new housing affordable to various household income levels. A survey of online rental listings conducted in July 2015 indicate that in Scotts Valley apartments rent between \$850 to \$1,350 for a one-bedroom unit, \$1,200 to \$2,010 for a two-bedroom unit, and \$1,660 to \$2,850 for a three-bedroom unit. According to Zillow's Rental Index through July 2015, the average rent list price in the County of Santa Cruz is \$2.08 per square feet. A 400-square foot secondary dwelling unit can therefore rent for approximately \$832 per month, which may be affordable to lower income households.

3. Housing Production

During the time frame of 2009 to 2015, a total of 201 new housing units have been built in Scotts Valley as shown on **Chart 4-2**.

Chart 4-2
Number of Units Built, 2009-2015

Calendar Year	Very Low	Low	Moderate	Above Moderate	Total
2009	0	0	0	2	2
2010	0	2	0	8	10
2011	0	2	0	1	3
2012	0	0	0	30	30
2013	0	4	1	41	46
2014	0	0	4	87	91
2015	0	3	8	19	30
Total	0	11	13	188	212
Notes: Low-income units 2010, 2011 are secondary dwelling units Low- and moderate-income units 2013, 2014, 2015 are income-restricted units					

Woodside (formally the Old Quarry Site)

In January 2011, the City approved a mixed-use development with approximately 16,500 square feet of commercial space along the street frontage and 49 small lots for detached single-family houses. Since 2014, 49 total housing units have been built on the project site. Of the total housing units, one unit is affordable to low-income households and six units are affordable to moderate-income households.

B. Housing Opportunity Sites

This section analyzes the remaining housing need and where the City will designate sites that will have zoning and development standards, infrastructure and public facilities in place to accommodate the construction of new housing during the planning period.

1. Housing Sites Planned for Residential Uses

Based on the City's land inventory, the City Council has proposed the following sites to meet the remainder of the 2015-2023 RHNA. **Chart 4-4** lists each site, the Assessor's parcel number, acreage, density assumption, and affordability level.

Each site has specific lot sizes, general plan land use and zoning designations, allowable density, and other attributes. The site criteria and ability to facilitate and encourage the construction of affordable housing are outlined below:

- **Above-Moderate income.** Residential sites which allow for single-family homes (e.g., such as R-R, R-1, etc.) are considered affordable to above-moderate income housing based on earlier sales prices.
- **Moderate income.** Sites smaller than 1.5 acres, zoned for high density (9 to 15 units/acre), typically could have apartments that would facilitate moderate-income housing or sites with confirmed affordability restrictions.
- **Lower income.** Sites 1.5 acres and larger, either individually or through consolidation, with a land use designation allowing up to 20 units per acre, or sites with confirmed affordability restrictions.

Town Center Specific Plan

The City of Scotts Valley approved a specific plan and programmatic Environmental Impact Report for the development of a town center on approximately 15 acres along Mt. Hermon Road which was previously the old Skypark Airport. The Programmatic Environmental Impact Report and Specific Plan anticipate a total of 300 new housing units within the Specific Plan area. Forty-six of the units of the Town Center have been constructed, including 5 affordable units, with an additional 254 new housing units planned. When completed, the Town Center will have 100 stand-alone housing units and 200 units will be part of the mixed-use development in the Town Center core area. This project falls within the City's Inclusionary Housing Program, in which each new housing project over six units must generate affordable housing units. Under the program, each new housing development must include 15 percent of the units as affordable housing units. The Town Center will accommodate 45 lower income units, five of which have been constructed.

In addition to the 15 percent required affordable units, the nature of the housing in the mixed use core of the Town Center should result in additional affordable housing opportunities being provided.

Secondary Dwelling Units

The City has facilitated the development of secondary dwelling units over the planning period by the following: 1) reducing development standards; and 2) permitting them by right. Since 2009, the City has approved four secondary dwelling units in the community. The City also updated its secondary dwelling unit ordinance for consistency with California Government Code Section 65852.2, which requires local governments with a local second-unit ordinance to ministerially consider second-unit applications. According to rental index published by Zillow.com, the average rental price per square foot in Santa Cruz County is \$2.08. Assuming a 400-square foot secondary dwelling unit, the average rental price for a second unit in Scotts Valley would be \$832 per month. Secondary dwelling units are anticipated to be affordable to lower income households.

Gateway South Specific Plan

The Gateway South Specific Plan is an adopted plan for the area located at the southern main entrance to the City at Highway 17 and Mt. Hermon Road. Specific Plan policies encourage a range of housing types and development configurations. This Specific Plan area is occupied by a new 180-room hotel, 41 apartments (including nine affordable units), and 20 townhomes. The Plan anticipates 136 total units with a minimum of 21 affordable units.

Scotts Valley Drive, North of Dunslee

Two other sites along Scotts Valley Drive were selected for new housing. North of Dunslee, this 9.5-acre vacant site slopes up to the west, and is a candidate for a density transfer. Of the 9.5 acres, two acres are considered developable—one acre is zoned C-S and one acre is zoned R-R. The site has been rezoned C-S and allows up to 20 units per acre, yielding 40 units for this site.

Scotts Valley Drive, North of Mt. Hermon

Additional sites for housing are available along Scotts Valley Drive. North of the Shell station on the east side of Scotts Valley Drive are four vacant parcels totaling 4.19 acres, of which 2.8 acres are developable. These four sites are all contiguous to one another and the City is actively encouraging their consolidation to provide the preconditions for a quality residential product. The sites were rezoned to R-M in 2007. Together, this site could yield 33 housing units.

Oak Creek Park (formerly Glen Canyon)

The City has identified 3.6 acres at the corner of Glen Canyon/Mt. Hermon Road and rezoned the property to C-S with high density residential permitted as part of a mixed use project. This particular site was previously approved for office buildings, which are no longer desired. The site is vacant and located between Oak Creek Boulevard and the Shell Gas Station and backs up to residential uses. There are no environmental or topographical constraints. This site could yield an estimated total of 10 dwelling units.

Chart 4-3 summarizes these sites and their credit toward the 2015-2023 Regional Housing Needs Allocation. Taken together, these sites accommodate 79 lower income units, 77 moderate income units, and 333 above moderate-income units, meeting the City's entire RHNA need for the planning period.

**Chart 4-3
Accommodation of 2015-2023 RHNA**

RHNA Progress	Maximum Units			Total Units
	Lower	Moderate	Upper	
Regional Housing Goals	56	26	58	140
Units Built Since January 2014	3	12	106	
Remainder	53	14	0	67
Housing Sites				
Secondary Dwelling Units	5			5
Town Center Specific Plan	40	55	159	254
Gateway South Specific Plan	21	22	93	136
Erba Lane			11	11
Scotts Valley Dr./No. of Dunslee	6		34	40
Scotts Valley Drive, No. Mt. Hermon	5		28	33
Oak Creek Park	2		8	10
<i>Total Housing Sites</i>	79	77	333	489
Remainder (RHNA)	0	0	0	
Source: City of Scotts Valley, 2009 *Surplus of lower income sites will cover the deficit in moderate-income units				

Chart 4-4 provides a complete description of each parcel, its attributes, and assumed suitability to facilitate housing affordable to households of different income levels, including lower income. Parcels in the Gateway area and Scotts Valley Drive provide opportunities for lot consolidation to encourage future development.

**Chart 4-4
Housing Sites for the Regional Housing Needs**

Location	APN	Acres	Zoning	Density	Low Units	Market Units	Current Use
Secondary Dwelling Units	Various	Various	--	--	5	--	Various
Town Center	See specific plan	17.0	Various	Various	40	214	Vacant
Gateway	22-151-05	1.72	R-VH	15-20	5	29	Under
Gateway	21-321-04	2.03	R-VH	15-20	6	34	Vacant
Gateway	22-151-03	1.1	R-VH	15-20	3	17	Under
Gateway	22-151-04	0.57	R-M	8	1	3	Vacant
Gateway	22-151-11	1.10	R-VH	20	3	17	Under
Gateway	22-151-07	0.86	R-VH	15-20	2	8	Under
Gateway	22-151-08	0.5	R-VH	15-20	1	7	Under
Erba Lane	22-481-18	1.03	R-H	15	0	15	Vacant
Dunslee	22-451-01	2.0	C-S	15-20	6	34	Vacant
Scotts Valley Drive, north of Mt. Hermon	22-162-69	2.3	R-M	8	5	25	Vacant
	22-162-74	0.36	R-M	8	0	0	Vacant
	22-732-48	0.94	R-M	8	0	0	Vacant
	22-732-01	0.59	R-M-8	8	0	3	Vacant
Oak Creek Park	22-162-76	3.6	C-S	15-20	2	8	Vacant
Total	--	--	--	--	79	410	--

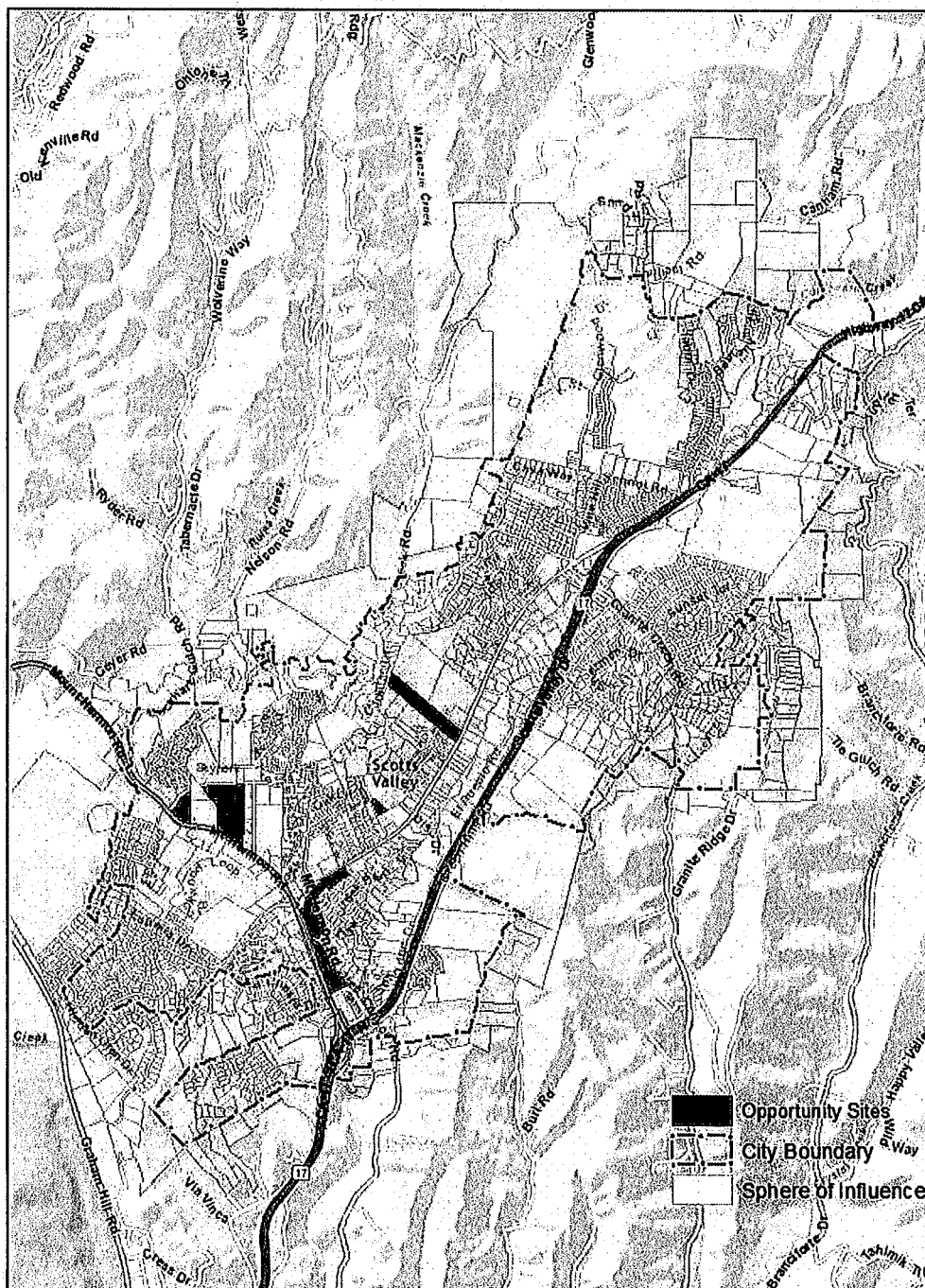


Figure 3
Housing Opportunity Sites

C. Resources for Addressing Housing Needs

The City of Scotts Valley has access to a variety of existing and potential funding sources available for affordable housing activities. They include programs from local, state, federal and private resources. In addition, various public and nonprofit agencies are available to assist the City in implementing its housing policies and programs.

In previous years, the primary source of funds for affordable housing activities in Scotts Valley was the Redevelopment Agency housing set-aside fund. On December 29, 2011, the California Supreme Court ruled to uphold ABx1 26, which dissolved all redevelopment agencies (RDAs) in the State. A companion bill, ABx1 27, which would have allowed the RDAs to continue to exist, was declared invalid by the court. The court's decision required that all RDAs within California be eliminated no later than February 1, 2012. The City of Scotts Valley Redevelopment Agency was dissolved as of February 1, 2012 and the City of Scotts Valley was selected to be the Successor Agency responsible for all enforceable obligations owed.

1. Financing Resources

Chart 4-5 lists the potential funding sources that are available for housing activities. They are divided into five categories: federal, State, county, local, and private resources.

**Chart 4-5
Financing Resources**

Program Name	Description	Eligible Activities
1. Federal Programs and Funding Sources		
Community Development Block Grant (CDBG)	The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs.	Acquisition Rehabilitation Homebuyer Assistance Economic Development Homeless Assistance Public Services
Home Investment Partnership (HOME)	Local jurisdictions can receive HOME funds directly from the Federal government. HOME funds are used to assist low income (80% AMI) households.	New Construction Acquisition Rehabilitation Homebuyer Assistance Rental Assistance
Emergency Shelter Grant (ESG) Program	Funds emergency shelters, services and transitional housing for homeless individuals and families.	Homeless Assistance Public Services
Neighborhood Stabilization Program (NSP) Funds	Provides funds to purchase abandoned and foreclosed homes and residential property.	Acquisition Homebuyer Assistance

**Chart 4-5
Financing Resources**

Program Name	Description	Eligible Activities
Choice Neighborhoods Grants	Funds to address distressed neighborhoods and publicly assisted projects to transform them into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. Planning grants and implementation grants are available.	New Construction Acquisition Rehabilitation Economic Development Public Services
Section 202 Housing for Seniors	HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable.	Acquisition Rehabilitation New Construction
Section 811 Housing for Persons with Disabilities	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	Acquisition Rehabilitation New Construction Rental Assistance
Housing Opportunities for Persons with AIDS (HOPWA)	HOPWA is an entitlement grant distributed to the largest jurisdiction in each county. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.	Acquisition Rehabilitation Homebuyer Assistance Homeless Assistance Public Services Rental Assistance
Supportive Housing Program	Provides funding to develop supportive housing and services that will allow homeless persons to live as independently as possible. Grants under the Supportive Housing Program are awarded through a national competition held annually.	Homeless Assistance Public Services

**Chart 4-5
Financing Resources**

Program Name	Description	Eligible Activities
Shelter Plus Care	Provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.	
2. State Programs		
Low-income Housing Tax Credit (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sale are typically used to create housing. Tax credits are available between 4% and 9%.	New Construction
Building Equity and Growth in Neighborhoods (BEGIN)	Grants to cities to provide down payment assistance (up to \$30,000) to low and moderate income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.	Homebuyer Assistance
CalHome	Grants to cities and non-profit developers to offer homebuyer assistance, including down payment assistance, rehabilitation, acquisition/rehabilitation, and homebuyer counseling. Loans to developers for property acquisition, site development, predevelopment and construction period expenses for homeownership projects.	Predevelopment Site development Site acquisition Rehabilitation Acquisition/Rehab Down payment assistance Mortgage financing Homebuyer counseling
Transit-Oriented Development Housing Program	Under the program, low-interest loans are available as gap financing for rental housing developments that include affordable units, and as mortgage assistance for homeownership developments. In addition, grants are available to cities, counties, and transit agencies for infrastructure improvements necessary for the development of specified housing developments, or to facilitate connections between these developments and the transit station.	Homebuyer Assistance Predevelopment Site development Infrastructure
Infill Incentive Grant Program	Funding of public infrastructure (water, sewer, traffic, parks, site clean-up, etc) to facilitate infill housing development. One funding round annually.	Regulations pending
CalHFA FHA Loan Program	Provides fixed rate FHA mortgages in Federally Designated Targeted Areas.	Homebuyer Assistance

**Chart 4-5
Financing Resources**

Program Name	Description	Eligible Activities
CalHFA Homebuyer's Down payment Assistance Program	CalHFA makes below market loans to first-time homebuyers of up to 3% of sales price. Program operates through participating lenders who originate loans for CalHFA. Funds available upon request to qualified borrowers.	Homebuyer Assistance
CalHFA Mental Health Services Act Funds	Jointly administered by the California Department of Mental Health and the California Housing Finance Agency on behalf of counties, the Program offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental and shared housing, to serve persons with serious mental illness and their families who are homeless or at risk of homelessness. MHPA Housing Program funds will be allocated for the development, acquisition, construction, and/or rehabilitation of permanent supportive housing.	New Construction Acquisition Rehabilitation Homeless Assistance Public Services Rental Assistance New
CalHFA New Issue Bond Program (NIBP)	Provides affordable housing bond funding to CalHFA and other housing finance agencies. This funding allows developers to secure a source of affordable financing in the marketplace which otherwise could not be obtained.	New Construction Acquisition Rehabilitation Preservation
Golden State Acquisition Fund (GSAF)	Affordable Housing Innovation Program (AHIP): provides loans for developers through a nonprofit fund manager to provide quick acquisition financing for the development or preservation of affordable housing.	New Construction Acquisition Rehabilitation Preservation
Emergency Housing and Assistance Program Operating Facility Grants (EHAP)	Provides operating facility grants for emergency shelters, transitional housing projects, and supportive services for homeless individuals and families.	Homeless Assistance Public Services
Emergency Housing and Assistance Program Capital Development (EHAPCD)	Funds capital development activities for emergency shelters, transitional housing, and safe havens that provide shelter and supportive services for homeless individuals and families.	Homeless Assistance Public Services

**Chart 4-5
Financing Resources**

Program Name	Description	Eligible Activities
Emergency Solutions Grant (ESG) Program	Funds projects that serve homeless individuals and families with supportive services, emergency shelter/transitional housing, assisting persons at risk of becoming homeless with homelessness prevention assistance, and providing permanent housing to the homeless population. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 places new emphasis on assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.	Homeless Assistance Public Services
Infill Infrastructure Grant Program (IIG)	Provides grants for infrastructure construction and rehabilitation to support higher-density affordable and mixed-income housing in infill locations.	Predevelopment Site development Infrastructure
Multifamily Housing Program:	Provides funding for new construction, rehabilitation, or acquisition and rehabilitation of permanent or transitional rental housing. Projects are not eligible if construction has commenced as of the application date, or if they are receiving 9% federal low income housing tax credits. Eligible costs include the cost of child care, after-school care and social service facilities integrally linked to the assisted housing units; real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.	Acquisition Rental Assistance Public Services Site development Infrastructure Development Fees
Predevelopment Loan Program (PDLP)	Provides predevelopment capital to finance the start of low income housing projects.	Predevelopment
3. County Programs		
Housing Choice Vouchers (formerly Section 8)	Rental assistance payments to owners of private market rate units on behalf of low-income (50% MFI) tenants.	Rental Assistance

**Chart 4-5
Financing Resources**

Program Name	Description	Eligible Activities
Low Income Public Housing Program (LIPH)	The LIPH is a national rental assistance program funded and monitored by the Department of Housing and Urban Development (HUD) to provide decent and safe rental housing for eligible low income families. Participants in LIPH rent a townhouse style apartment owned and managed by the Housing Authority of the County of Santa Cruz. Tenants pay rent directly to the Housing Authority, and may choose to pay either an income based rent (which is equal to approximately 30% of their household income) or a fixed flat rent which is similar to market rent.	Rental Assistance
Mortgage Credit Certificate (MCC)	Federal tax credit for low- and moderate-income homebuyers who have not owned a home in the past three years. Allocation for MCC is provided by the State and administered by the County.	Homebuyer Assistance Income Tax Credit
USDA Farmworker Housing Program	The Housing Authority of the County of Santa Cruz owns and manages 70 two and three bedroom units of U.S. Department of Agriculture-Rural Housing Service (USDA-RHS) in Santa Cruz County at two different sites in and near Watsonville. This program is designed to provide affordable housing to households where at least one household member earns a substantial portion of their income as farm laborers and is either a United States citizen or legal resident.	Rental Assistance
4. Local Programs		
Tax Exempt Housing Revenue Bond	The City can support low-income housing by holding the required TEFRA hearing prior enabling the issuance of housing mortgage revenue bonds. The bonds require the developer to lease a fixed percentage of the units to low-income families at specified rental rates.	New Construction Rehabilitation Acquisition
5. Private Resources/Financing Programs		
Federal National Mortgage Association (Fannie Mae)	Fixed rate mortgages issued by private mortgage insurers; mortgages which fund the purchase and rehabilitation of a home; low down-payment mortgages for homes in underserved areas.	Homebuyer Assistance

**Chart 4-5
Financing Resources**

Program Name	Description	Eligible Activities
National Housing Trust	The Green Affordable Housing Preservation Loan fund through the National Housing Trust Provides below market predevelopment and interim development loans to affordable housing developers who seek to incorporate green building techniques when rehabilitating existing affordable housing. Under the program, a portion of the loan will be forgiven when the developer demonstrates that they have incorporated practical, environmentally friendly design elements in the property's rehabilitation plan.	Predevelopment Development Loans
California Community Foundation	Provides support for general operating of existing nonprofit affordable housing developers, with the focus on supporting the development and preservation of permanent affordable housing.	New Construction Rehabilitation Acquisition
MacArthur Foundation:	Preserving Affordable Rental Housing Program is a \$150 million initiative that seeks to preserve and improve affordable rental housing.	Preservation Rehabilitation Acquisition
Local banks:	As a requirement of the Community Reinvestment Act of 1977, commercial banks are required to "meet the credit needs" of all the areas from which they draw deposits. They usually do this through below-market loans to both developers and qualified low-income homebuyers, and grants to community development nonprofits. Many banks have set up a separate community development division, and partner with local organizations that provide services like homeownership counseling to their borrowers. Larger banks often have a separate foundation to handle the grants.	Homebuyer Assistance

2. Administrative Resources

Described below is a sample of public and non-profit agencies that have been involved in housing activities in north Santa Cruz County. These agencies play important roles in meeting the housing needs of the community. In particular, these agencies are involved in the improvement of housing stock, expansion of affordable housing opportunities, preservation of affordable housing, and/or provision of housing assistance to those in need.

Housing Authority of the County of Santa Cruz

The Housing Authority of the County of Santa Cruz was created to provide housing assistance for the County's lower- and moderate- income residents. The Housing Authority administers the Section 8 rental assistance program and manages public housing developments. The Housing Authority also administers various programs available to Scotts Valley residents, including the Mortgage Credit Certificate Program and the Security Deposit Guarantee Program.

Community Action Board of Santa Cruz County, Inc. (CAB)

CAB conducts, administers and coordinates community programs to combat poverty in Santa Cruz and Monterey Counties. CAB offers programs focusing on four service areas: job training and employment services, housing and homeless services, immigration assistance, and community building. Under the Shelter Project, CAB operates four services for homeless people or those at risk of homelessness, including: Motel Vouchers for homeless persons facing emergency medical situations, Emergency Rent Assistance to prevent eviction, a Shelter Hotline, and a Message Center.

Front Street, Inc.

Front Street, Inc. (FSI) is the primary provider of social rehabilitation facilities throughout Santa Cruz County. FSI has been in operation since 1990, when it took over the 47-bed Front Street board and care facility in Santa Cruz. FSI operates eight facilities, with locations in Santa Cruz, Ben Lomond, Watsonville, and Monterey. Their services include residential programs, mental health support services and supportive housing. FSI is committed to supporting its clients at the highest level of independence possible and provides person-centered and evidence-based treatment services that promote mental and physical wellness.

Habitat for Humanity

Habitat for Humanity is a non-profit, Christian organization dedicated to building and rehabilitating affordable housing for lower income families. Habitat builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit with affordable, no-interest loans. Volunteers, churches, businesses, and other groups provide most of the labor for the homes. Government agencies or individuals typically donate land for new homes. Habitat Santa Cruz has built approximately 40 homes in Santa Cruz County, including three affordable homes on Black Lane in Scotts Valley, which were completed in 2013.

Mid-Peninsula Housing Coalition (MPHC)

Mid-Peninsula Housing Coalition is an established regional non-profit organization involved in the development, management, acquisition and rehabilitation of affordable rental housing. MPHC primarily develops affordable family and senior rental apartments. Since it was founded in 1971, MPHC has developed over 100 communities and 7,450 homes for low income families, seniors and special needs individuals throughout Northern California. MPHC works in 11 counties in Northern California and provides homes for more than 15,500 Northern California residents, manages 89 properties (a total of 6,442 units) and has an additional 1,367 new affordable homes in construction, entitlement or predevelopment. MPHC has been involved in the preservation of affordable housing units that are at risk of converting to market rate uses. MPHC built the Emerald Hill project, a 46-unit apartment project in Scotts Valley that provides housing for very-low-income households.

First Community Housing

First Community Housing (FCH) is a 501 [c] [3] non-profit, public benefit developer committed to building high quality, sustainable, affordable housing and passing energy savings along to tenants. FCH locates developments adjacent to transit corridors and provides free "eco-passes" to all tenants, allowing free bus and light rail use throughout Santa Clara and Santa Cruz Counties. Since 1986, FCH has created housing for more than 3,200 low-income residents in 17 affordable housing developments (over 1,300 units) throughout the San Francisco Bay region. The low-income populations they serve include families, senior citizens, and individuals as well as special needs populations such as the chronically ill, persons with developmental disabilities, and consumers of mental health services. FCH's incorporation of green building materials has been featured in numerous green building journals, the AIA Memo and Global Green USA Case Study.

Chapter 17.20 - C-S SERVICE COMMERCIAL ZONING DISTRICT REGULATIONS

Sections:

17.20.010 - Description and purpose.

The C-S district is intended to apply to all lands designated in the General Plan as "service commercial." This district is designed to create and maintain areas accommodating city-wide and regional service that may be inappropriate in neighborhood or pedestrian-oriented shopping areas and which generally require automotive access for customer convenience, servicing of vehicles or equipment, loading or unloading, or parking of commercial service vehicles.

The service commercial zone is intended to achieve the following purposes:



- A. To provide appropriately located areas for retail stores, offices, service establishments and businesses offering various ranges of commodities and services scaled to meet the needs of different geographical areas and various categories of patrons they serve;
- B. To provide opportunities for retail stores, offices, service establishments and businesses to concentrate for the convenience of the public and in mutually beneficial relationship to each other;
- [C. Reserved.]
- D. To provide adequate space to meet the needs of modern commercial development, including off-street parking and truck loading facilities;
- E. To minimize traffic congestion and to avoid the overloading of utilities by preventing the construction of buildings of excessive size in relation to the amount of land around them;
- F. To protect commercial properties from noise, odor, dust, dirt, smoke, vibration, heat, glare, heavy truck traffic and other objectionable influences incidental to industrial uses;
- G. To protect commercial properties from fire, explosion, noxious fumes and other hazards.

(Ord. 16.76 § 1(part), 1989)

17.20.020 - Permitted uses.

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Permitted uses are as follows:

- A. Retail establishments;
- B. Banks;
- C. Business and personal service establishments;
- D. Emergency shelters (≤ 25 occupants), subject to compliance with Section 17.44.110;
- E. Medical, professional and general business offices;
- F. Radio and television broadcast studios (excluding transmission towers); and
- G. Accessory structures and uses located on the same site with a permitted use which are customarily incidental to the permitted use, including, but not limited to, incidental storage facilities and signs which pertain only to a permitted use on the premises and which are in accordance with the standards of Chapter 17.56 of this title;
-  H. Multiple-family dwellings located either above the ground-level commercial use or at ground level at the rear of a commercial space on sites designated in the Housing Element;
- I. Day care centers.

(Ord. 16.76 § 1(part), 1989; Ord. 16.84 § 1, 1992; Ord. 16.87 § 3(part), 1993; Ord. 16.89 § 2, 1993; Ord. 16.123, §§ 40, 41, 9-5-2007; Ord. No. 16-138, § 5, 7-15-2015)

17.20.030 - Conditional uses.

The following conditional uses may be permitted upon the granting of a use permit in accordance with the provisions of Section 17.50.020 of this title:

- A. Animal hospitals;
- B. Automobile sales, including sale of used cars in conjunction with the sale of new cars;
- C.

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Automotive repair and related services (such as auto supply and detail shops) in an enclosed building. This conditional use category excludes auto body repair and auto painting as well as any other use that is incompatible with surrounding uses or that may be detrimental to the health, safety and welfare of the surrounding neighbors;

- D. Automotive service stations;
- E. Carwash;
- F. Coin-operated laundries;
- G. Commercial recreation;
- H. Equipment rental yards;
- I. Hotels and motels;
 - 1. Multiple-family dwellings located either above the ground-level commercial use or at ground level at the rear of a commercial space;
- J. Outdoor Storage;
- K. Public utility service yards;
- L. Recreational vehicle sales, including boat sales;
- M. Restaurants and bars;
- N. Wholesale establishments;
- O. Service shops, including printing, photographic, cabinet repair, electrical repair, heating and ventilating shops, and catering services;
- P. Social halls, lodges, fraternal organizations and clubs;
- Q. Churches, synagogues and other places of worship;
- R. Other uses the planning commission finds to be of a similar nature to those listed above, subject to the requirements of Section 17.50.020 of this title;
- S. Transitional Housing. No person shall operate a transitional housing facility without obtaining a conditional use permit in accordance with Section 17.50.020 and subject to the requirements of Section 17.44.170 of this title.
- T. Emergency shelters (>25 occupants), subject to compliance with Section 17.44.110.

(Ord. 16.76 § 1 (part), 1989; Ord. 16.84 § 2, 1992; Ord. 16.103 § 1, 1996; Ord. 16.123, § 42, 9-5-

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2007; Ord. No. 16-133.3, § 3, 7-15-2015; Ord. No. 16-138, §§ 6, 12, 7-15-2015)

17.20.035 - Prohibited uses.

Outdoor storage uses are prohibited in the C-S zone on Scotts Valley Drive and on all properties located on Scotts Valley Drive, no matter the zone. On all other properties zoned C-S, outdoor storage uses are conditional uses. Permitted outdoor storage uses may remain in place until their individual use permits expire, or in accordance with Chapter 17.48, Nonconforming Uses and Structures, of this Title. Unpermitted outdoor storage uses shall vacate the properties by July 1, 2016. Every person violating any provision of this section shall be guilty of a misdemeanor and subject to Title 4 of the Municipal Code.

(Ord. No. 16-133.3, § 4, 7-15-2015)

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: 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.

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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.

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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.

(Ord. 16.76 § 1 (part), 1989; Ord. 16.77 (part), 1989; Ord. 16.82 § 9, 1991; Ord. 16.88 § 1, 1994; Ord. No. 16-133.3, § 5, 7-15-2015)

17.20.045 - Development standards for mixed use projects.

- A. Density range is fifteen to twenty residential units per acre.
- B. Parking for both the non-residential and the residential units shall be as specified in the zoning ordinance. The planning commission may reduce parking standards in cases where shared parking is feasible and viable.
- C. Each dwelling shall have private, usable outdoor space, i.e. decks, balconies, yards or patios of one hundred square feet per residential unit. The planning commission may determine that the required private outdoor space is not appropriate in a particular building design and allow the required outdoor space to be common open space for all residential units.
- D. Truck docks shall not be located within fifty feet of any residential.
- E. Minimum setbacks for residential:
 1. Front from the street: Ten feet; and front from a garage: Twenty feet.
 2. Rear: Fifteen feet.
 3. Side: Ten feet.
 4. Corner from the street, ten feet and corner from a garage, twenty feet.

(Ord. 16.123, § 43, 9-5-2007)

17.20.050 - Other required conditions.

- A. Architectural and site plan review by the design review board shall be required for all structures, alterations to structures and signage in the C-S zoning district.
- B. All uses shall be subject to the performance standards specified in the applicable provisions of Section 17.44.020 of this title.
- C.

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All roofs shall be architecturally designed to provide an appearance which is compatible with the exterior walls of the building. The design review board shall review and approve the roofscape.

- D. No building shall be located closer than twenty-five feet from the top of the bank of a perennial or intermittent stream, as shown in Section 17.04.230 of this title. All proposed structures shall be constructed above the one-hundred-year floodplain.

(Ord. 16.76 § 1 (part), 1989)

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resolution to the delinquency problem for the City and the County and that some "good faith cash" should be seen within the next 14 days.

For the record:

Council member Aguilar stated that if another extension is requested the next time this issue comes before the Council, she will deny it.

Reagendize 9/15:

M/S: Cavallaro/Aguilar

To continue this issue for two weeks to September 15, 1999 City Council meeting to show significant progress with the acquisition of this parcel resulting with a definite escrow closing in the near future.

Carried 3/0

M/S: Cavallaro/Aguilar

To provide a waiver for Robert Haight's representation of Smith Investments in this transaction.

Carried 3/0

2. Conceptual approval of Senior Center garden project

RDM Sudduth presented the written staff report. The Council was provided a design of a small garden area with small gazebo adjacent to the Center's parking lot. Long term they wish to place a deck, larger gazebo and storage structure on the site. Private donations and fund raising will pay for the project.

The Council expressed pleasure with the design as good use of the site.

M/S: Cavallaro/Aguilar

To approve the conceptual design.

Carried 3/0



3. Discussion: Interpretation of General Plan policies regarding grading in 40% slopes and high density residential projects in commercial zones

CDD Kuhn presented the written staff report, asking the Council to concur with the Planning Commission's interpretation related to the following:

1. Grading/development in over 40% slope areas:

Date: September 1, 1999

M/S: Cavallaro/Aguilar

To concur with the interpretation of the 40% slope as presented by staff for specific parcels discussed this evening and also future development and concur with the steepened slope interpretation. (Agreeing with Planning Commission interpretation.)

Carried 3/0

2. Residential development on commercially zoned properties:

M/S: Aguilar/Johnson

To concur with the Planning Commission requirement for rezoning.

Carried 2/1 (NO: Cavallaro)

4. Future agenda items

Agendize 9/15:

Council member Aguilar requested staff agendize a discussion to develop a subcommittee to address the potential acquisition of the Glenwood property.

ADJOURNMENT

The meeting adjourned at 7:20 p.m.

Approved: _____

Randy Johnson
Mayor / Chair

Attest: _____

Judi Coffman
City Clerk / Secretary

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: September 1, 1999

TO: Honorable Mayor and City Council

FROM: Laura C. Kuhn, Community Development Director 

SUBJECT: INTERPRETATION OF GENERAL PLAN POLICIES REGARDING GRADING IN
40% SLOPES AND HIGH DENSITY RESIDENTIAL PROJECTS IN
COMMERCIAL ZONES

SUMMARY OF ISSUE:

On August 26, 1999, the Planning Commission reviewed the attached staff report (Attachment A, page 6) requesting interpretation of various General Plan policies and Zoning regulations relative to grading in 40% slopes and residential projects in commercial zones. At the conclusion of the meeting, the Planning Commission provided various recommendations to staff and the City Council for future application of the General Plan policies and Zoning Ordinance regulations (see Attachment B, page 21). This report is provided to update the City Council regarding the Planning Commission interpretations and confirm the interpretations as a matter of policy for staff to implement in the development review process. Each of the issues is described further below.

Grading/Development in over 40% Slope Areas:

The Planning Commission reviewed the following General Plan policies and action items, and related Zoning Ordinance requirements regarding grading in 40% slopes. Please note that key words or phrases affecting the interpretation have been highlighted in bold text below.

Land Use Element:

Policy: LP-17- Land Use densities should decrease with increasing land slope.

Action:LA-21- **Land over 40% slope shall be preserved as open space, with no construction of any kind.** During the development of the site the density for the 40% slopes (shall be) transferred for construction in the areas with a slope of less than 25% if these areas are otherwise suitable for higher densities.

Policy: LP72- Preserve open space areas for protection of public health and safety, provision of recreational opportunities, and protection of natural resources.

Action:LA-75- During development review, **hillsides with 40% slope** or more shall be left undisturbed and undeveloped after (the) project is complete.

Open Space Element:

Policy:OSP-360- Identify and designate open space where its use will conserve and maintain the scenic, tranquil, and spacious qualities of Scotts Valley.

Action:OSP-364- The city shall encourage that as a part of **new development proposals, areas over 40% slope** are dedicated as open space scenic easements. The open space designation shall be recorded in the Office of the County Recorder.

The City has further refined these policies into specific regulations for residential development for parcels which contain an average slope of over 10%. These regulations are contained in the Scotts Valley Municipal Code, Chapter 17.40. This Chapter includes Development Standards (Section 17.40.050) which further clarify how new lots can be created and how to address development on existing lots of record (see excerpt, Attachment A, page 13). For new lots, the development standards indicate that no new lots shall be created with an average slope of 40% or more. For existing lots of record, no structures or driveways shall be proposed on building pads with an average slope of 40% or more. When average slopes are calculated, the steeper and flatter portions are averaged into one slope percentage. Therefore, existing and future lots will contain some areas which are over 40% in slope.

The attached Planning Commission staff report (Attachment A, page 6) asked the following questions and provided specific information on each of the questions. The following is a listing of the questions and the Planning Commission's interpretation of each issue.

1. *Because lots may be created with an average slope of less than 40%, are the 40% slope areas within the lot precluded from development as indicated in LA-21, or should the more general provisions of the Zoning Ordinance regarding average slopes prevail?*

Planning Commission Interpretation: Yes, the Zoning Ordinance provisions should prevail because the General Plan policies cited should not be applied to existing parcels which have been part of a prior development project. For example, where an existing parcel is within a subdivision which has been approved by the City, the General Plan standards should be applied **at the time the lots are created**, so that 40% slopes are reserved as open space. The Planning Commission clarified that if the General Plan language was to be interpreted to apply to subdivided parcels, then it would affect all parcels, not just vacant parcels, and that this would create an unreasonable hardship on property owners in the City. The Planning Commission further clarified that because the Hillside Regulations require Design Review when grading in slopes over 30% is proposed, that the regulations provide adequate review and evaluation of proposed grading on a case by case basis.

2. *Are small areas over 40% slopes contained within a proposed or existing lot considered hillsides which require protection as stated in Land Use Element Action item LA-75? Also, what is considered "new development"?*

Planning Commission Interpretation: No, smaller areas within an existing subdivided lot are not to be considered "hillsides" which require further protection. This is because

"new development" applies to a proposed subdivision map and is reviewed prior to creation of a new parcel. This is further clarified by the Zoning Ordinance which addresses the measures for providing open space easements for areas over 40% slope when a parcel is created.

3. *Are over steepened slopes created by prior quarrying activities subject to the 40% slope limitations?*

Planning Commission Interpretation: No, as in these situations the slopes are not natural and are health and safety hazards to be remedied. Also, the Zoning Ordinance typically would require reclamation plans to re-grade quarried areas which would involve grading in 40% slopes created by the quarrying activity.

Residential Development on Commercially Zoned Properties:

The second issue has been brought about by a recent development proposal for attached housing units on a site designated for commercial service uses. The project has been proposed by Mr. Howard Norton, who has proposed a 24 unit attached housing project and a commercial building on approximately 2.7 acres. The property is comprised of two parcels behind Malone's Restaurant and the office building located at 4444 Scotts Valley Drive (see the Planning Commission report, Attachment A, page 18). Mr. Norton has requested that the application be processed as a Use Permit because the General Plan and Zoning Ordinance state that high density residential uses can be allowed with a Use Permit in the Commercial Service Zone.

The General Plan provides the following description for Service Commercial uses (note the key text is bolded for emphasis):

Service Commercial- retail stores and shops, food and motel/hotel establishments, services such as printing shops and electrical repair shops, heating and ventilating shops. **High density residential is conditionally permitted, providing adjacent uses are compatible and the residential use is secondary to the retail use.**

The Zoning Ordinance establishes Commercial Service (CS) as the complimentary zone to the Service Commercial land use designation in the General Plan. The Commercial Service zone lists the following use as a conditionally permitted use (note key text is bolded for emphasis):

Multiple-family dwellings located either above the ground-level commercial use or at ground level at the rear of a commercial space.

The following information is the questions asked of the Planning Commission, and their interpretation of each. More detailed information is provided in the attached report (see Attachment 1, pages 10-11).

1. *Is the density of the project sufficient to meet the General Plan requirement for "high density residential"?*

Planning Commission Interpretation: This issue is not relevant because of the determinations listed below. The appropriate procedure would be to amend the General Plan and Zoning Ordinance to an appropriate Zoning District which is applicable to the density of the project.

2. *Is the proposed residential use secondary to the retail use and does the retail use have to be on the same parcel as the residential units?*

Planning Commission Interpretation: The Planning Commission discussed this issue at length as there are many ways to interpret "secondary". Because this project would not have commercial uses on the same parcel as the proposed residential uses, they confirmed that a Use Permit is necessary because the residential uses must be above or behind commercial uses on the same parcel. The Commissioners further clarified that the land devoted to the residential use was much greater than the small area fronting Scotts Valley Drive and that to render the residential use as secondary was precedent setting, and not appropriate in this particular case. Therefore, a re-zoning and general plan amendment would be needed to accommodate this project.

3. *Is the proposed residential use compatible with adjoining land uses?*

Planning Commission Interpretation: The proposed use may be compatible with the area, assuming appropriate buffers and design issues are addressed. This would be looked at during the general plan amendment and re-zoning process.

FISCAL IMPACT:

Grading in 40% Slopes:

None to the City, unless future zoning ordinance amendments are required. The cost of such amendments is unknown at this time. The only fiscal impact will be for projects where grading is proposed in 30% slopes, a Design Review application is required, which costs approximately \$275.00 to process.

If the City Council does not concur with the Planning Commission, and the General Plan is interpreted to apply to existing parcels of record, some parcels may be rendered undevelopable which would have a significant impact to the property owners. Also, if the policies apply to all parcels in the City, this would affect many property owners when room additions, pools and other new construction is proposed.

Residential Uses in Commercial Areas:

In the case of the Norton project, there are additional fees which Mr. Norton would have to pay to process the applications recommended by the Planning Commission.

STAFF RECOMMENDATION:

It is recommended that the City Council concur with the Planning Commission's interpretations as described above.

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Meeting Date: 8/26/99

Agenda Item #: 4

City of Scotts Valley
INTEROFFICE MEMORANDUM

DATE: August 26, 1999

TO: Chair Barrett and Members of the Planning Commission

FROM: Laura C. Kuhn, Community Development Director *LCK*

SUBJECT: INTERPRETATION OF GENERAL PLAN POLICIES REGARDING GRADING IN
40% SLOPES AND HIGH DENSITY RESIDENTIAL PROJECTS IN
COMMERCIAL ZONES

BACKGROUND/HISTORY:

Staff has recently been faced with two issues which have caused some concern with how the General Plan should be interpreted in conjunction with the Zoning Ordinance. The first issue is in relation to General Plan Policy and Actions regarding development in slopes over 40% and the interpretation of these Policies relative to the Zoning Ordinance. The second issue is in relation to residential development in commercial zones. As both of these issues affect proposed projects, staff has brought the two issues forward for interpretation before finalizing any permits or project approvals.

ISSUES:

Grading/Development in over 40% Slope Areas:

Staff has reviewed various development proposals for new subdivisions and existing parcels of record which contain steeply sloped areas over 40% or more. A concern over the interpretation of various policies and action items listed in the Land Use and Open Space Elements of the General Plan and consistency with the Zoning Ordinance has been raised. Each of the policies and action items affecting development of areas containing 40% slopes are listed below. Please note that key words or phrases affecting the interpretation have been highlighted in bold text below.

Land Use Element:

Policy: LP-17- Land Use densities should decrease with increasing land slope.

Action: LA-21- **Land over 40% slope shall be preserved as open space, with no construction of any kind.** During the development of the site the density for

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the 40% slopes (shall be) transferred for construction in the areas with a slope of less than 25% if these areas are otherwise suitable for higher densities.

Policy: LP72- Preserve open space areas for protection of public health and safety, provision of recreational opportunities, and protection of natural resources.

Action: LA-75- During development review, **hillsides with 40% slope** or more shall be left undisturbed and undeveloped after (the) project is complete.

Open Space Element:

Policy: OSP-360- Identify and designate open space where its use will conserve and maintain the scenic, tranquil, and spacious qualities of Scotts Valley.

Action: OSP-364- The city shall encourage that as a part of **new development proposals, areas over 40% slope** are dedicated as open space scenic easements. The open space designation shall be recorded in the Office of the County Recorder.

The City has further refined these policies into specific regulations for residential development for parcels which contain an average slope of over 10%. These regulations are contained in the Scotts Valley Municipal Code, Chapter 17.40. This Chapter includes Development Standards (Section 17.40.050) which further clarify how new lots can be created and how to address development on existing lots of record (see excerpt, Attachment 1, page 8). For new lots, the development standards indicate that no new lots shall be created with an average slope of 40% or more. For existing lots of record, no structures or driveways shall be proposed on building pads with an average slope of 40% or more. When average slopes are calculated, the steeper and flatter portions are averaged into one slope percentage. Therefore, existing and future lots will contain some areas which are over 40% in slope.

Staff has identified the following questions for clarification by the Planning Commission and City Council:

1. *Because lots may be created with an average slope of less than 40%, are the 40% slope areas within the lot precluded from development as indicated in LA-21, or should the more general provisions of the Zoning Ordinance regarding average slopes prevail? When an average slope is computed for a lot, all of the various steep and flatter portions of the lots are considered. This means that pockets or gullies of 40% slope may be contained within a lot. If General Plan Policy LA-21 is interpreted literally, no development of any kind would be allowed on any 40% slope area, no matter how small. In some cases, there are isolated changes in slope due to erosion or natural topography. These areas can be very small to large, depending on the size of the lot. If no areas of slopes over 40% are to be disturbed, many existing lots may be rendered as undevelopable. Also, in some cases roads or access to parcels must traverse riparian or drainage channels which contain slopes within the stream bed. If 40% slopes are not to be disturbed for any kind of development, access may not be provided, which would further preclude development of certain areas. Specific examples of individual parcels which contain over 40% slopes are in the Whispering Pines area, Tabor Drive, Bethany*

Drive, the Ridge at Monte Fiore and others. Examples of projects with access over areas of 40% slope include portions of the Gateway South Specific Plan, Polo Ranch, Glenwood and Skypark.

The Zoning Ordinance could be used to clarify the intent of the General Plan and allow the average of the slope under the future building pad and driveway to be used. This would allow disturbance of 40% slopes so long as the average of the slope where the future building pad and driveway is less than 40%. However, non-residential development is not addressed by the Hillside Regulations. This would affect access to planned development areas in Skypark, Gateway South and other areas. In reviewing projects which have been approved after the 1994 General Plan, it appears that public access drives were not included in the 40% slope prohibition. A specific example is Skypark Drive which was constructed in an area which was clearly shown as over 40% slope. This issue was identified during recent review of the Glen Canyon apartment project wherein specific language was proposed to be added to the General Plan. The General Plan Amendment, however, was referended and the final outcome is not yet known.

Should the Planning Commission and City Council concur that the 40% slope average for areas devoted to future building pads and access/driveways should be used, then an appropriate amendment to the commercial and industrial development standards (contained in Section 17.44.020) could be processed. In the short term, however, staff would be able to use the average slope calculation for residential projects. Should the Planning Commission and City Council not concur with this determination, there would be existing parcels which could not be developed. This would have a devastating financial impact on the property owners in the Whispering Pines, Tabor Drive, Gateway South, Skypark, Polo Ranch, Glenwood and other areas.

2. *Are small areas over 40% slopes contained within a proposed or existing lot considered hillsides which require protection as stated in Land Use Element Action item LA-75? Also, what is considered "new development"? When a new subdivision is proposed, typically the 40% slope areas are reserved in open space. However, smaller slopes which may not be identified in the initial schematic slope analysis may be contained in individual parcels. A key concern is, what constitutes a "hillside"? It appears that the average slope calculation has been used for residential projects so that no new lot is created with an average slope of 40% or more. One example is the Monte Fiore project which was conditioned to ensure that no new lots were created with an average slope of more than 40%. Early on, calculations of lot slope were conducted prior to filing the final map, and the 17 lots in the Ridge area were less than 40%. However, these lots are now shown in the 1994 General Plan Open Space Element as being in an area of a predominant ridge line and a steeply sloped area over 40% (see Attachment 2, pages 10 and 11). These maps were further refined by the City with the 1994 General Plan Update which was approved *after the Monte Fiore subdivision was approved*. Also, in the Monte Fiore subdivision, many of the larger sloped areas were preserved in open space with appropriate easements.*

One could argue that all areas of 40% slope, no matter how small, must be protected using the LA-21 and OSP-75 language. However, in implementation, it is difficult to

protect small pockets of 40% slope areas which are not part of a larger valley wall or major ravine. Also, such a determination could render many existing lots as unbuildable. Given the language provided in the Zoning Ordinance noted earlier, it may be best to limit the determination of open space easements at the time a subdivision is considered, and to ensure that as development occurs on existing lots, that the average slope of the area for the future building pad and driveway do not exceed 40%. Similar language would also need to be developed in the Zoning Ordinance to address non-residential uses.

3. *Are over steepened slopes created by prior quarrying activities subject to the 40% slope limitations?* There are several sand quarry sites located in an near Scotts Valley. One remaining sand quarry which has not been developed with other uses is an existing parcel off of Scotts Valley Drive located next to Guaranty RV Center (see Location Map, Attachment 3, page 12). This site was zoned for commercial uses for many years and through the 1994 General Plan Update, the property was changed to a high density residential land use designation. The 1994 General Plan stated:

"LA-10

Require the 16.5 acre sand quarry site west of Scotts Valley Drive opposite El Pueblo Road to be develop-ed as a planned development to ensure maximum aquifer recharge, hillside stabilization, appropriate circulation, and conservation of the open space in the redwoods at the rear of the site."

In 1997, the General Plan was changed to delete the above language and the property was re-designated back to commercial service uses. A General Plan amendment was concurrently processed with the Glen Canyon Apartments to clarify that the 40% slope limitations discussed previously, should not apply to dangerous slopes which are over-steepened by quarrying activities. If any development on the flatter portions of the site adjacent to Scotts Valley Drive is to occur, a slope remediation plan is necessary for safety purposes, and will require grading in slopes over 40%. A key point to identify with this site is that the slope remediation is for safety purposes, and is not an area which would be used for placement of future development. This quarry site was operated prior to incorporation by the City and was not subject to the City's Surface Mining and Reclamation regulations (contained in Chapter 17.45 of the Scotts Valley Municipal Code). Typically, when a mining operation is completed, a plan is required to address over steepened slopes to allow the flatter portions of an area to be reused for other purposes once the mining operation is completed. This site was abandoned and no plan was ever in place to deal with the slope.

Based upon all of these factors, staff recommends that the Planning Commission and City Council determine that the 40% slope language in the General Plan does not apply to slope remediation activities. This is due to slope remediation will not result in making the steep slope developable, but makes it safer by reducing erosion and improving stability, and to improve the negative visual impact of this slope from Scotts Valley Drive. Also, any slope remediation plan would be subject to review by the Planning Commission and City Council under the provisions of the City's Grading Ordinance.

It is recommended that the Planning Commission review the various issues and questions identified above. Staff recommends that the operative language in the Zoning Ordinance be used to allow development to occur on existing subdivided lots where the average slope of the area proposed for the building pad and driveway is less than 40%. Similar language can then be added to the Zoning Ordinance for non-residential uses. In the case of the quarry site on Scotts Valley Drive, it can be implied by the Surface Mining and Reclamation regulations that over steepened slopes from prior quarry activities are not subject to the 40% slope limitations. Such a determination would allow the flatter portion of the site, next to Scotts Valley Drive to be used for commercial purposes as specified in the General Plan.

Residential Development on Commercially Zoned Properties:

The second issue has been brought about by a recent development proposal for attached housing units on a site designated for commercial service uses. The project has been proposed by Mr. Howard Norton, who has proposed a 24 unit attached housing project and a commercial building on approximately 2.7 acres. The property is comprised of several parcels located on Scotts Valley Drive and behind Malone's Restaurant and the office building located at 4444 Scotts Valley Drive (see attached Location Map, Attachment 4, page 14). The properties contain a mix of uses including a small retail store (The Flower Shack), and a series of older residential units in need of repair. Redevelopment of the site would greatly improve the appearance of the site and provide additional tax revenue to the City's Redevelopment Agency.

Mr. Norton has submitted a letter and schematic site plan (see Attachment 5, page 15). Mr. Norton has indicated that he would like to process the application as a Use Permit (instead of a re-zoning and General Plan amendment to residential) because the site is behind existing and proposed commercial uses on Scotts Valley Drive. Staff has recommended that this processing method be reviewed by the Planning Commission and City Council to ensure compliance with City regulations before entering into the costly development review process. The following information is a review of the issues which require review by the Planning Commission and City Council.

The General Plan provides the following description for Service Commercial uses (note the key text is bolded for emphasis):

Service Commercial- retail stores and shops, food and motel/hotel establishments, services such as printing shops and electrical repair shops, heating and ventilating shops. **High density residential is conditionally permitted, providing adjacent uses are compatible and the residential use is secondary to the retail use.**

The Zoning Ordinance establishes Commercial Service (CS) as the complimentary zone to the Service Commercial land use designation in the General Plan. The Commercial Service zone lists the following use as a conditionally permitted use (note key text is bolded for emphasis):

Multiple-family dwellings located either above the ground-level commercial use or at ground level at the rear of a commercial space.

In reviewing the General Plan requirements and the Zoning Ordinance language in conjunction with the schematic site plan provided by Mr. Norton, the following issues require review by the

Planning Commission and City Council prior to processing of the application.

1. *Is the density of the project sufficient to meet the General Plan requirement for "high density residential"?* Although a detailed site plan has not been provided, it appears that the project site is approximately 2.7 acres. Given the proposal for 24 units, the density of the project appears to be 8.88 units per acre. As the High Density land use designation of the Scotts Valley General Plan requires 9-15 units per acre, the density of the project may be *too low*. For General Plan purposes, density is based upon the number of units divided by the *gross area of the parcel*. Therefore, if the density calculation is lower than 9 units per acre, a minimum of one additional unit would be required to meet the General Plan requirements.
2. *Is the proposed residential use secondary to the retail use and does the retail use have to be on the same parcel as the residential units?* The site is comprised of more than one parcel, the northerly parcel is proposed for residential development with no retail use on the same site. A small commercial use is shown on the southerly parcel which contains Scotts Valley Drive frontage (The Flower Shack is on this frontage area). Commercial uses are provided, however, along adjoining parcels (Malone's Restaurant and the office building at 4444 Scotts Valley Drive). The General Plan and Zoning Ordinance do not state that the retail use must be contained on the same site as the residential use. On the other hand, one could argue that the primary use on a given property must be in compliance with the Zoning and General Plan. This would mean that the area proposed for residential uses should be reflected on the General Plan Map as a residential land use, and the Zoning Map would need to be changed to show an appropriate zoning designation.
3. *Is the proposed residential use compatible with adjoining land uses?* The site is bounded by commercial uses on the west, towards Scotts Valley Drive and to the north. Typically, high density housing is found close to commercial areas. To the south, is an existing attached residential project. These units are similar to those proposed by Mr. Norton and would be considered a compatible use. On the east, the site slopes down towards Carbonera Creek, with industrial uses/zoning beyond. Seagate currently occupies this industrial land and a research and development complex has been built there. Typically, high density housing is not necessarily compatible with industrial uses, however, given the topography of the site and the Carbonera Creek buffer, the site could be considered for high density housing as a compatible use. If a development application is pursued for housing on the property, staff would work with the developer to evaluate appropriate noise or visual buffers.

It is recommended that the Planning Commission and City Council review the three issues identified above and give direction as to whether or not the project should be processed with a Use Permit or General Plan Amendment/Zone Change application.

Upon review of these issues by the Planning Commission, the recommendations will be forwarded to the City Council for review on September 1, 1999.

TABLE OF CONTENTS:

- Attachment 1, Excerpt of Hillside Regulations
- Attachment 2, Open Space Element, Predominate Ridges and Slope Maps
- Attachment 3, Quarry Site, Location Map
- Attachment 4, Norton Site, Location Map
- Attachment 5, Letter and Map from Howard Norton

W:\plngcomm\sr-genplan\interpretation.rep

17.40.030 Review required.

No development proposal shall be approved and no grading or tree removal in connection with such development shall take place until plans thereof have been approved by the city. Except, as otherwise specifically provided in this chapter, the standards and requirements set forth herein shall be considered and applied by the planning commission or city council, as appropriate, in considering development proposals in the HR district. These standards and requirements shall apply in addition to and not in lieu of, the standards and requirements of the base zoning district; provided, however, that in the event of a conflict, the standards and requirements of this chapter shall prevail. The design and siting of buildings and structures shall be compatible with the natural landscape. Site layout and preparation for the building, structures, driveways and roads shall be designed so as not to substantially disrupt the natural silhouette of prominent ridges, ridge lines or surrounding terrain. The planning department shall consider, as part of its review, measures to mitigate the impact of the issues noted above, including, but not limited to, lot configuration, erosion control measures; landscaping, berms and other screening methods; retaining walls to reduce graded slopes; and lowering of building profiles. (Ord. 16.76 § 1 (part), 1989)

17.40.040 Submittal requirements for subdivision of hillside residential property.

In connection with the subdivision of any parcel(s) in an HR district, the following submittals shall be required in addition to, and not in lieu of, any and all other development criteria and submittals prescribed in Title 16 of this code:

- A. A site development plan, drawn to scale, shall be submitted to the planning department and shall contain:
 1. The exact location of each use and structure (existing and proposed);
 2. Topographic data, including contours, tree locations, sizes and varieties (including trees to be removed and trees in and adjacent to areas to be graded), natural drainage areas and all graded slopes;
 3. Provisions for the retention of existing vegetation and land forms, including erosion control measures;
 4. Grading information illustrating the extent of all graded slopes (cut and fill). Graded slopes shall be representative of adjacent topography and shall, insofar as is reasonably practical, be an extension of the natural contours, designed to minimize cuts and fills and to avoid erosion, flooding, slides and other hazards;
 5. Location of existing and proposed easements for water, sewer and other utility services; the location of ex-

isting and proposed streets; and the location of other access routes which traverse the parcel which shall be engineered to eliminate the risk of failure or collapse, shall be set back from hazard areas and shall be in accord with the geologic and soils investigation report and recommendations;

6. Cross-section showing maximum proposed cut and fill for all proposed streets;

7. Such other information as the planning department may require.

B. A preliminary geologic and soils investigation report prepared by a registered engineering geologist certified by the state or by a registered civil engineer qualified in soils mechanics by the state, shall be filed in conjunction with the site development plan and shall fully and clearly present all of the following, unless the planning director determines that existing information pertinent to the subdivision makes the preliminary analysis or any part thereof unnecessary:

1. All pertinent data, interpretations and evaluations based on the most current professionally recognized soils and geologic base data pertaining to the subject site;
2. The significance of the data, interpretations and evaluations with respect to the actual development or implementation of the intended land use through the identification of any significant geologic problems, critically expansive soils, or other unstable soil conditions which, if not corrected, might lead to structural damage or aggravation of future geologic problems, both on and off the site;
3. Recommendations for corrective or mitigation measures deemed necessary to prevent or significantly mitigate potential damage to the proposed project and adjacent properties or to otherwise insure safe development of the parcel; and
4. Recommendations for additional investigations that should be made to insure safe development of the parcel. (Ord. 16.76 § 1 (part), 1989)

17.40.050 Development standards.

A. Mandatory Conditions for the Creation of New Building Sites.

1. No new lots shall be created with an average slope of forty percent or more.
2. No new lots shall be created with an average slope of the building envelope exceeding twenty-five percent unless an engineering geology report finds the site to be suitable for such construction.
3. Grade of access road and driveway: No private access roadway to or on any site exceeding one hundred fifty feet in length shall exceed a grade of fifteen percent

along the length of the pavement without specific approval of the planning commission.

B. Mandatory Conditions for Existing Lots of Record.

1. No structures or driveways shall be proposed on building pads with an average slope of forty percent or more.

2. Building sites with an average slope exceeding twenty-five percent shall have an engineering geology report prepared. Said report must find the site to be suitable for all construction proposed.

3. No driveway to or on any building site shall exceed a grade of fifteen percent along the length of the pavement without specific approval of the planning commission.

C. Clustering of Dwelling Units. Dwelling units may be clustered pursuant to the regulations for a planned unit development (Chapter 17.38 of this code). Such approval shall be based upon a finding that the clustering of dwelling units will significantly promote the purposes of this chapter while allowing reasonable use and enjoyment of the site, in addition to other findings required in connection with a PUD permit.

D. Grading Standards. Grading standards contained in this section shall apply to existing lots or building sites as well as to the creation of new building sites. All grading shall be in conformance with these standards. These standards are in addition to, and not in lieu of, standards and regulations set forth in Section 15.04.080(G) of this code.

1. Grading shall be limited to the minimum necessary for development of roads, building sites, utilities and driveways. Portions of a site exceeding thirty percent slope shall not be graded without approval by the planning commission. Mass grading which would unreasonably affect the natural character of the area shall not be permitted.

2. Visible cut or fill slopes shall not exceed three horizontal to one vertical (3:1); provided, however, that slopes as steep as two horizontal to one vertical (2:1) may be approved by the planning commission upon a finding that the appearance or stability of the completed project will be superior to the result that would be obtained by adhering to the three horizontal to one vertical (3:1) standard.

3. Grading shall not be allowed in creek and drainage areas without first referring the grading application to the Department of Fish and Game, as required by law. An easement over natural drainage channels may be required to be designated for open space purposes and a storm drainage easement with respect thereto may be required, as the same are deemed necessary and appropriate

for the protection of natural drainage channels as well as for protection of surrounding areas from erosion and diversion of stream channels and the like.

4. In addition to the variances that may be granted pursuant to Section 17.50.010 of this title, the planning commission shall have authority to grant variances from the grading regulations contained in this section. (Ord. 16.77 (part), 1989; Ord. 16.76 § 1 (part), 1989)

17.40.060 Construction criteria on a hillside lot.

Each application for a building permit shall, in addition to all other applicable rules, regulations and processes, be subject to the development standards of the underlying zoning district in which the lot is located. In addition, the following regulations apply:

A. Each application for a building permit shall be reviewed by the planning director and a determination made as to conformance with the following criteria:

1. **Avoid Unreasonable Interference With Views and Privacy.** The height, elevations and placement on the site of the proposed main or accessory structure, when considered with reference to the nature and location of residential structures on adjacent lots, will avoid unreasonable interference with views and privacy;

2. **Preserve Natural Landscape.** The natural landscape will be preserved insofar as practicable by designing structures to follow the natural contours of the site and minimizing tree and soil removal; grade changes will be minimized and will be in keeping with the general appearance of neighboring developed areas;

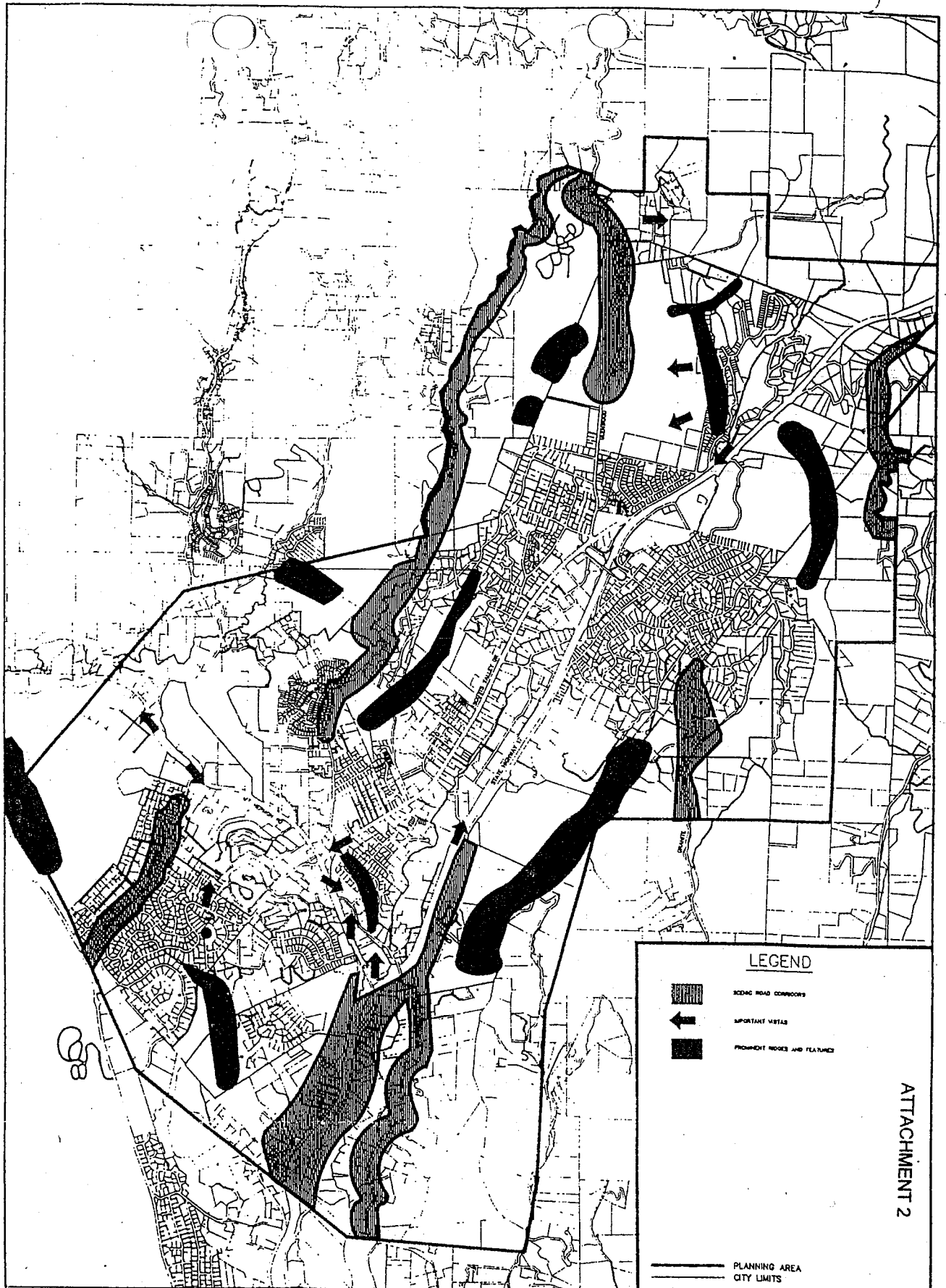
3. **Minimize Perception of Excessive Bulk.** The proposed main or accessory structure in relation to the immediate neighborhood will minimize the perception of excessive bulk;

4. **Compatible Bulk and Height.** The proposed main or accessory structure will be compatible in terms of bulk and height with existing residential structures within the immediate neighborhood and within the same zoning district, and shall not unreasonably impair the light and air of adjacent properties nor unreasonably impair the ability of adjacent properties to utilize solar energy;

5. **Current Grading and Erosion Control Standards.** The proposed site development or grading plan incorporates current grading and erosion control standards used by the city;

6. **Increased Setbacks and Height.** One foot shall be added to each side yard for each one foot of height above which the top plate line exceeds fifteen feet in height;

7. **Subfloors Clearance.** All new main structures and accessory structures or additions thereto, shall be designed to follow the slope of the site so as to reduce the



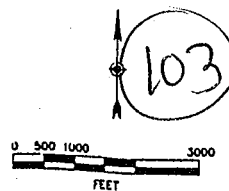
ATTACHMENT 2

Figure:
OS-1

City of Scotts Valley
General Plan

Viewsheds and Scenic Corridors

DISCLAIMER
THIS MAP WAS DEVELOPED PRIMARILY FOR THE GENERAL PLAN.
THE CITY IS HEREBY LIABLE FOR ANY RESPONSIBILITY FOR USE OF THE
MAP BEYOND ITS INTENDED PURPOSES.
BASE MAP: 1988 Topographic



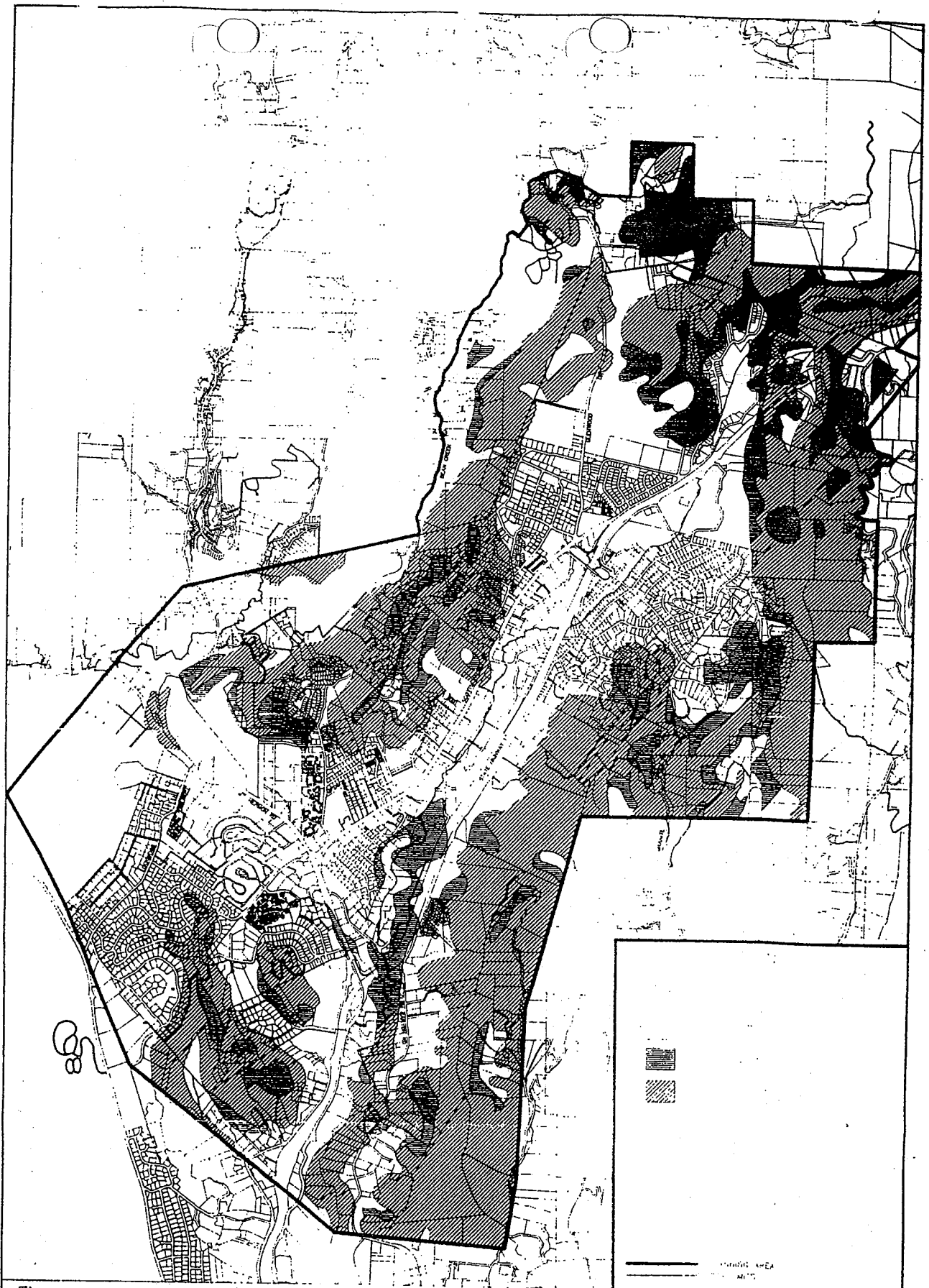


Figure:
OS-7

City of Scotts Valley
General Plan

Slopes
16

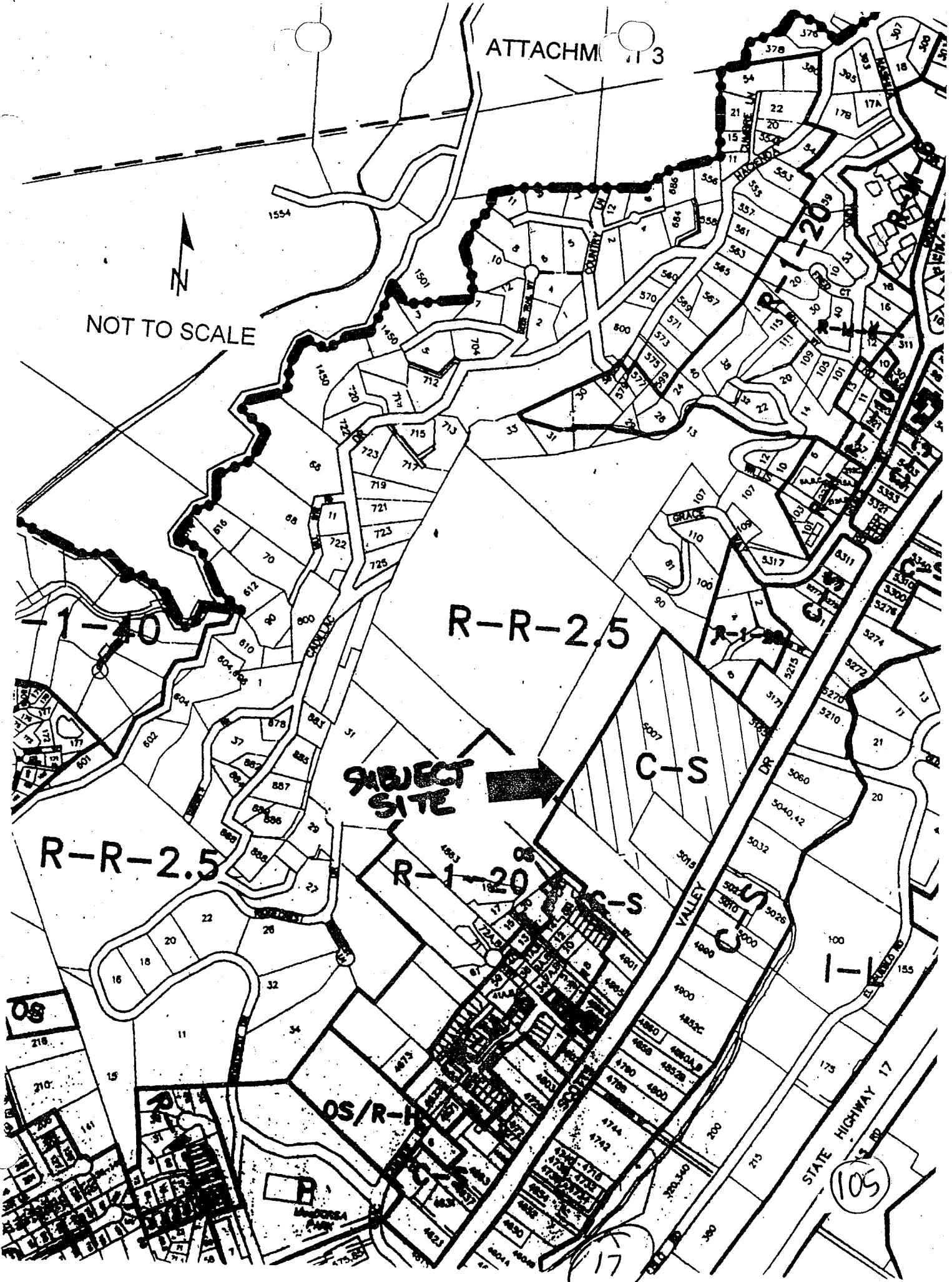
DISCLAIMER

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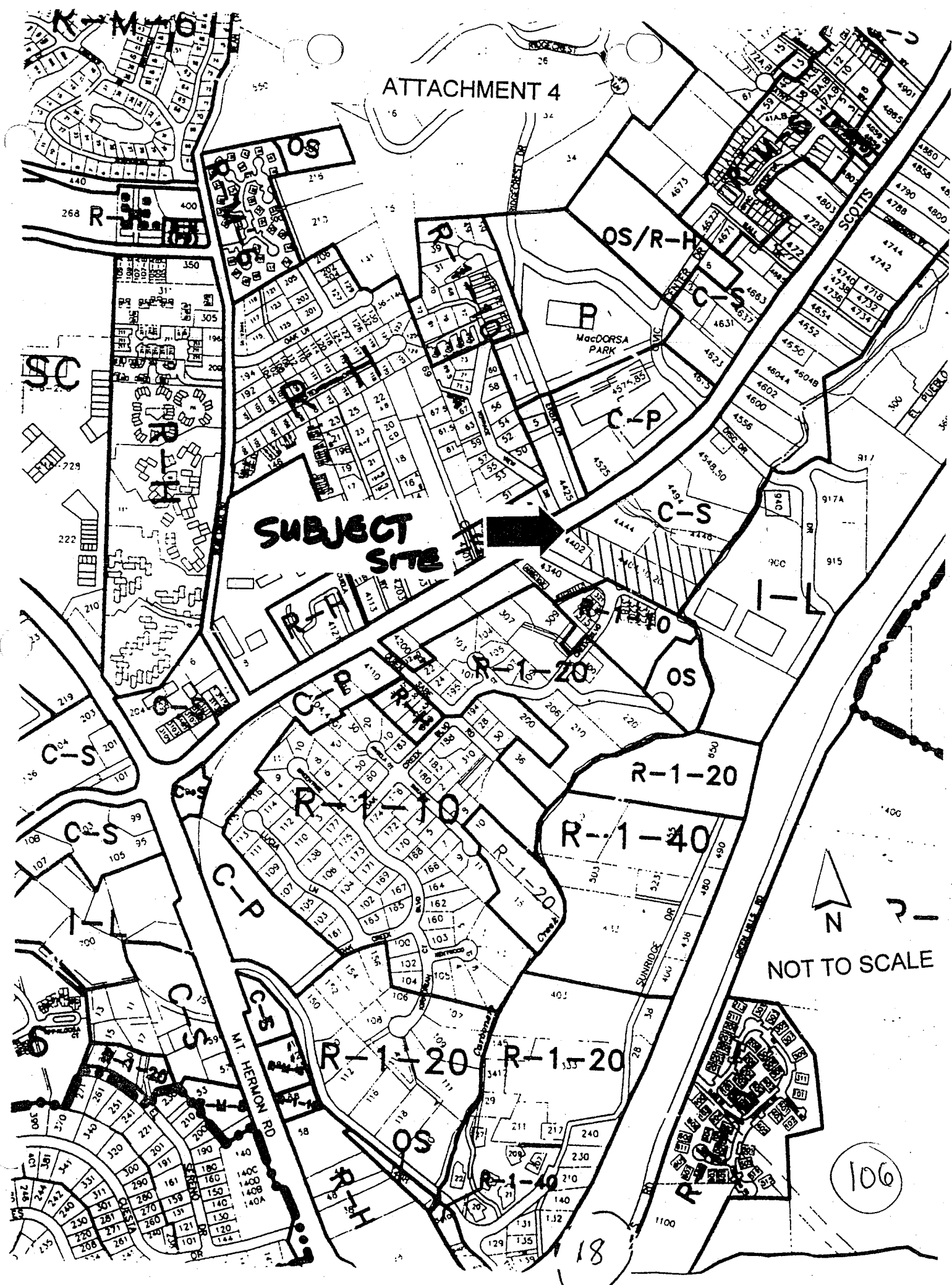
ATTACHMENT 3



NOT TO SCALE



ATTACHMENT 4



RECEIVED

AUG 16 1999

CITY OF SCOTTS VALLEY
BUILDING DEPT.

Howard Norton & Partners
90 Lockhart Gulch Rd.
Scotts Valley, CA 95066

August 15, 1999

CITY OF SCOTTS VALLEY
Planning Department
One Civic Center Dr.
Scotts Valley, CA 95066

Att: Laura Kuhn

Dear Laura,

Thank you for your letter of August 11, 1999 concerning a Use Permit on three parcels: one behind LA CANADA CENTER, the other two behind MALONE'S.

In response to your question whether off-site would qualify, let me explain my thoughts. First, MALONE'S was a part of the whole parcel that was split way back because, even then, they could see it was not a Commercial Use site. Secondly, the parcel behind LA CANADA was also split off by Alan Shatenburg when he had a mobile home sales yard in front and his home (complete with swimming pool) on the hill behind.

Several years back, there were several units built behind the offices on the drive next to MALONE'S. We will be compatible with that use.

By the way, I don't see where it says they have to be the same parcel and ownership. In many cases, Commercial owners are not into Residential units; I don't think the code was intended to limit ownership.

Sincerely,



Howard Norton

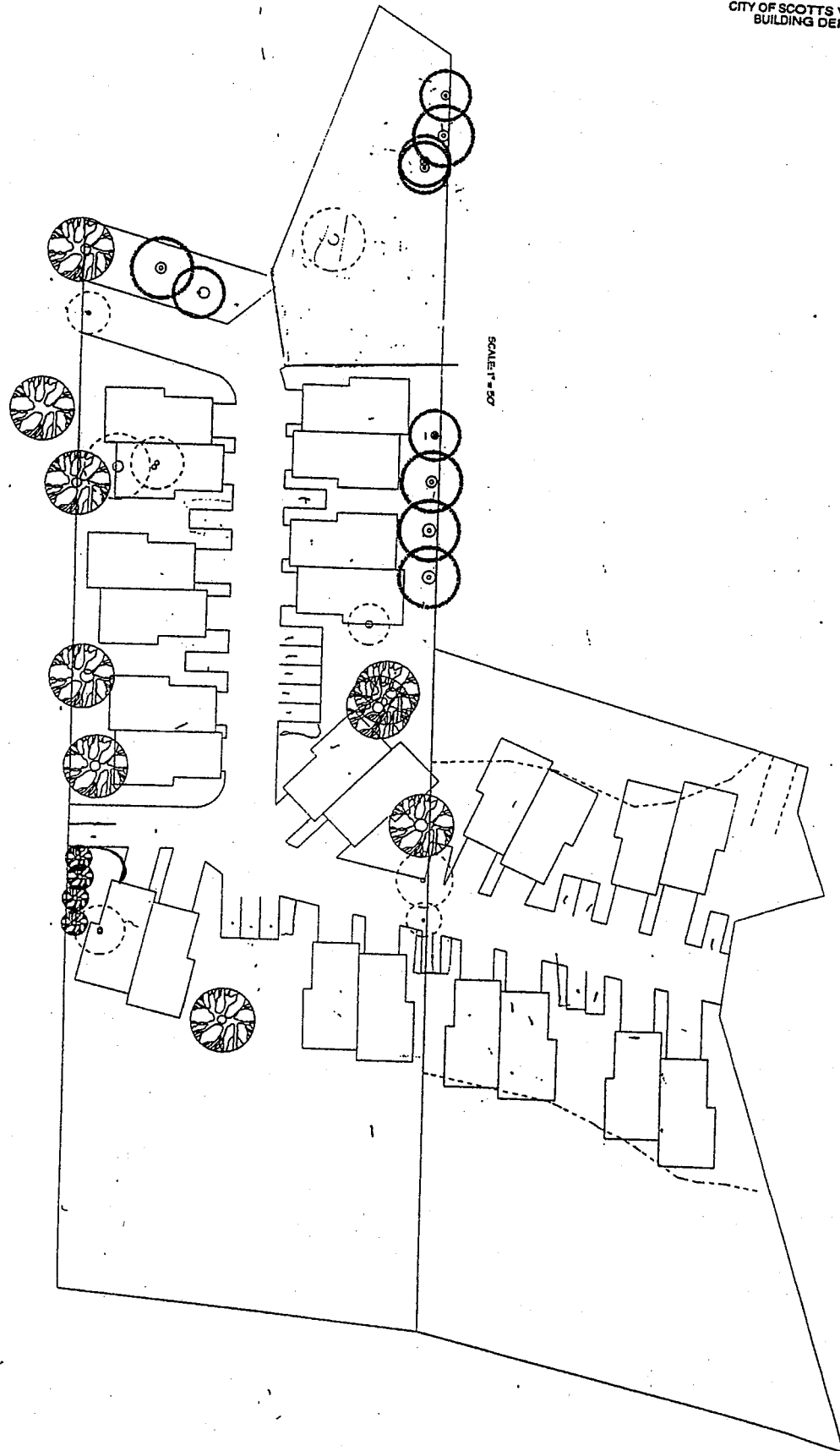
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RECEIVED

AUG 16 1999

CITY OF SCOTTS VALLEY
BUILDING DEPT.

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M/S Shulman/Newton

**To approve U99-009 by the adoption of Resolution No. 1219 as presented.
3/0 Carried (Heald/Seidel absent)**

Emergency add on discussion item: Rite Aid

Commissioner Shulman noted that he had read on the Internet an article about Rite Aid. They apparently are in financial difficulties and have in the past unloaded stores in mass. There are rumors that they are going to close down a number of West Coast stores. He stated his concern that construction may begin at the shopping center, but be halted if the possibility of a sale exists. He suggested the City request a corporate level commitment from Rite Aid and find out if this store is still in the plans for them. CDD Kuhn stated staff would advise the Ow family, but noted that City approvals that were granted go with the land, not with the applicant. Commissioner Shulman requested staff to run this by the City Attorney also.

REGULAR AGENDA: none

PLANNING DEPARTMENT/PLANNING COMMISSION DISCUSSION:

- 4) Zoning / General Plan Interpretation
-Grading in 40% slopes

CDD Kuhn presented the staff report. Commissioner Shulman stated concern with the sequence staff is approaching this discussion with. He stated he would rather see the City Council tell the Planning Commission what the policy they want in place is; then the Planning Commission could deal with the technical aspect of it. CDD Kuhn explained why the sequence was followed: land use issues are first reviewed for recommendation by the Planning Commission, then they go to the City Council for final action. Staff believed it would be inappropriate to take it directly to the City Council without Planning Commission input.

Commissioner Newton stated concern with the language being inadequate; the word "average" was too vague.

-Bill McClure, attorney representing Brown & Kauffmann, gave brief history of the Heritage Parks / Monte Fiori subdivision. He stated that a literal interpretation of the General Plan would preclude development of certain lots in Monte Fiori. Previous projects approved in the City would suggest that the literal interpretation was not used. There needs to be a rational

interpretation of the language used in the General Plan. Brown & Kauffmann is having the Monte Fiori Ridge lots re-surveyed to get more current slope information.

Commissioner Shulman asked:

- 1) if new information shows slope calculations were inaccurate, what does the City do?
- 2) if we find that the proposed pad and driveway area triggers Planning Commission review, what application would be used?
- 3) is there still yet to be had a Design Review hillside regulation.

CDD Kuhn responded to the three questions:

- 1) staff and attorneys would sit down and review the situation. A letter before the Commission from Majid Yamin, resident of Monte Fiori, notes that the topos used back then may have been obscured.
- 2 & 3) two Design Review applications will be coming to the Planning Commission at the next meeting to address 40% slope issues.

-Bob Mandarino, developer, gave a brief history of how he and Rob Stuart formed a partnership and bought the seven meadow lots in Monte Fiori. Now each lot trying to be developed is being held to the hillside regulations, but the building envelope has already been approved.

Commissioner Shulman noted that at the time this PUD was approved, only setback criteria was shown as the building envelope. With the adoption of the PD ordinance, more specific building envelope information was required prior to approval.

CDD Kuhn noted there were a series of lot line adjustments on the project and possible old topography maps that may have created this situation.

-Rob Stuart, Mr. Mandarino's partner and Ridge lot owner trying to build, clarified that they did look at the original topo map and he has since had his lot re-shot and the previous topo was very inaccurate. He stated he was frustrated in trying to comply, but believed the spirit of the Hillside Ordinance need to be looked at.

Commissioner Newton asked staff to explain the intent of the hillside regulations and asked if the concern was erosion or habitat.

CDD Kuhn stated the primary goal was to preserve steeply sloped areas because of erosion problems. The ordinance states that the intent and purpose is to minimize grading and implement the Open Space Element of the General Plan.

Chair Barrett stated he believed the City needs to look at each individual basis in order to implement the intent of the ordinance. He believed that only the buildable area on a site should

be calculated for density purposes. There should be a basic rule that if there is a 40% slope, no development should be allowed, but exceptions should be looked at individually with common sense.

Commissioner Shulman stated that the actions in the General Plan have to be taken in the context of the objectives that precede them. He believed the City has allowed the General Plan to be used as a political football to obstruct reasonable development and it was being used for somebody to find a reason for somebody else not to develop. The average slope calculation suggestion was very reasonable and people should be able to trust the City's collective judgement. Staff should go forward to City Council with his support for a little common sense and not be so concerned about slopes that don't affect anybody but that particular property owner. The General Plan is for the entire community.

The Commission discussed manufactured slope vs. man made slopes.

4) Zoning / General Plan Interpretation (continued)
-Residential development in commercial zones

CDD Kuhn presented the staff report. Commissioner Shulman asked why the mixed use application was not a rezone and lot split? CDD Kuhn noted that the applicant, Howard Norton, believed mixed use in a commercial zone district could be achieved using a Use Permit application. Mr. Norton had requested the determination be brought to the Commission and City Council to decide which application to process.

Commissioner Newton expressed concern with the ratio of residential to commercial proposed. Commissioner Shulman stated he was comfortable with the vague wording in the Zoning Ordinance because it gives the City the latitude to look at the individual project. He didn't want to see the City define secondary use too tightly. A rezoning application seems like a cleaner way to go, but other things would come into play.

Chair Barrett stated concern with industrial property to the east where Seagate is. CDD Kuhn noted there is a large difference in topography and distance between the two properties.

Commissioner Newton agreed that the property doesn't have much other viable use than residential, but he had a problem with the secondary use statement as 90% of the site is proposed residential.

Howard Norton gave the Commission a picture board showing the site and explained the history of the site and noted that mixed use is provided for in the Zoning Ordinance.

Commissioner Shulman asked Mr. Norton if the Commission decides that a rezone application is appropriate, would he pursue it? Mr. Norton stated he did not know.

Commissioner Shulman asked staff if they could issue a Use Permit with the express intent of a rezone and lot split at the next City rezoning. CDD Kuhn noted the Use Permit findings have to be made which state the use is consistent with current zoning regulations and the General Plan.

Cliff Barrett stated his concern with the high density residential proposed.

CDD Kuhn stated the proper application to use is a rezone if the Commission believes the site should be zoned R-1-10. If the use permit findings can't be made, the use permit cannot be approved. If the Commission can't find that residential is a secondary use, a use permit cannot be approved. The project appears to be a good one, but the appropriate application process would be rezone, General Plan Amendment and zone change. At this stage, this is somewhat of a conceptual review that will also be going to City Council for determination of appropriate application.

5) Discussion of potential zone changes and General Plan update.

CDD Kuhn presented the staff report. Commissioner Shulman summarized that the previous joint meeting with City Council was good, but left staff with a huge laundry list of issues. He noted two basic issues; amending some of the specific numbers in residential code that would better define and better space units. It needs to tighten down to be a lesser dense prospective and stick with it. The other item he proposed doing was taking the land mass that is undevelopable out of the calculation all together to determine the density that would be allowed. He would like to see if the Commission could go to Council and request they put these two items as a staff priority.

Commissioner Newton wondered if Commissioner Shulman's suggestions would be as simple and easy to implement as he made it sound. Commissioner Shulman gave an example for clarification.

CDD Kuhn noted that side yard setbacks could be changed reasonably easily, but then people will just apply for PD's to get around it.

Commissioner Shulman asked the Commission to direct staff to write a letter to City Council stating the Planning Commission would really like to go forward with density and setback issues and ask them to allow staff to set this as some kind of priority. It was the consensus of the Commission to request staff to do this.



A G E N D A

Meeting of the Scotts Valley Planning Commission

Date: December 14, 2017

Time: 6:00 PM

CITY OF SCOTTS VALLEY 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5630	MEETING LOCATION City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	POSTING: The agenda was posted on December 8, 2017, at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .
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Appointed Officials	City Staff Members
Derek Timm, Chair Carlos Arcangeli, Vice Chair Robin Donovan, Commissioner Rosanna Herrera, Commissioner Deborah Muth, Commissioner	Taylor Bateman, Acting Community Development Director Michelle Edwards, Senior Planner Brenda Stevens, Assistant Planner

Notice regarding Planning Commission Meetings:

The Planning Commission meets regularly on the 2nd Thursday of each month (unless otherwise noticed) at 6:00 pm in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066.

Agenda and Agenda Packet Materials:

The Planning Commission agenda is available for review the Friday before the Thursday meeting on the Internet at the City's website: www.scottsvalley.org 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.org.

CALL TO ORDER 6:00 PM

(The Planning Commission Chair calls the meeting to order.)

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

(The Planning Commission Chair leads the pledge of allegiance.)

ROLL CALL

(Planning Department staff conduct roll call of the Planning Commission.)

PUBLIC COMMENT TIME

This is the opportunity for individuals to make and/or submit written or oral comments to the Commission on any items within the purview of the Commission, which are NOT part of the Agenda. No action on the item may be taken, but the Commission may request the matter be placed on a future agenda.

ALTERATIONS TO CONSENT AGENDA

(The Commission can remove or add items to the Consent Agenda.)

CONSENT AGENDA

(The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any items may do so raising their hand to be recognized by the Chair. These items will be acted upon in one motion unless they are removed from the consent agenda for discussion by the Commission.)

- A. Approve the Action Meeting Minutes from the November 9, 2017, meeting.

ALTERATIONS TO PUBLIC HEARING AGENDA

(Commission can remove or add items to the Regular Agenda.)

PUBLIC HEARING AGENDA

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

1. **Project Name:** Bay Mountain Mixed-use
Address / APN: 4803 Scotts Valley Drive / 022-082-76
Applicant / Property Owner: Robert Kim
Planning Permit Application Nos.: U17-002, DR17-003, DR17-004,
Project Description: Consideration of a Use Permit, Design Review, Sign Design Review, and reduced (shared) parking to allow a mixed-use development on a 0.41-acre site in the C-S Service Commercial Zone. The project proposes a new three-story building with approximately 1,800 square feet of ground floor retail space; 2,530-square feet of second floor office space; and six apartment units on the third floor. Site improvements and amenities include: 19 parking stalls, landscaping, enclosed trash, recycling area, bicycle parking, and a public art feature. **Staff:** Scott Harriman, Contract Planner, skharriman@sbcglobal.net
2. **Project Name:** Hertz Car Rental
Address: 5500-5520 Scotts Valley Drive / APN 022-042-17
Applicant: Karl Ryan with "Professional Touch Auto Body"
Property Owner: Vincent & JoAnne Cimera Revocable Trust
Planning Permit Application No: U17-006
Project Description: Consideration of a Use Permit application to locate an existing "Hertz" car rental business in the former "Ferrell's Donuts" building located on the same property as the "Professional Touch Auto Body" business in the Service-Commercial (C-S) zone. **Staff:** Michelle Edwards, Sr. Plnr., (831) 440-5632, medwards@scottsvally.org

ALTERATIONS TO REGULAR AGENDA

(Commission 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 Chair.)

3. **Project Name:** Oak Creek Park Application Appeal
Address / APN: 3640 Glen Canyon Road / 022-162-76
Appellant: Charlie Eadie of Eadie Consultants
Property Owner: Granum Partners
Project Description: Consideration of an appeal of the Acting Community Development Director's determination that a submitted development application for residential and commercial uses is inconsistent with the City's General Plan.
Staff Planner: Taylor Bateman, Acting Community Planning Director,
(831) 440-5630, tbateman@scottsvalley.org

DISCUSSION ITEMS AND FUTURE AGENDA ITEMS

(The Planning Commission or Community Development Director may request to schedule items on future agendas.)

WRITTEN COMMUNICATIONS – FOR INFORMATION ONLY

(City Council Minutes or other items are provided if available.)

DIRECTOR UPDATES

(The Acting Community Development Director may provide any department or city updates that are available.)

ADJOURNMENT

(Adjournment shall be no later than 11:00 PM unless extended by a four-fifths vote of all Planning Commission members or a unanimous vote of the members present per City Municipal Code Section 2.21.010.)

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 Planning Commission 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 Community Development Department at (831) 440-5630 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a Planning Commission meeting be available in an alternative format consistent with a specific disability, please call the Community Development Department. 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.

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PROCEDURAL INFORMATION FOR THE PUBLIC
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**THE FOLLOWING IS THE PROCEDURE THAT THE COMMISSION 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.

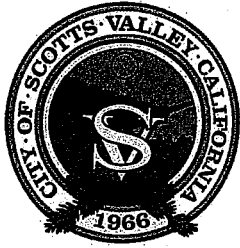
**THE FOLLOWING IS THE PROCEDURE THAT THE COMMISSION SHOULD TAKE
IN INTRODUCTION/ADOPTION OF AN ORDINANCE:**

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 THAT THE COMMISSION 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.



Minutes

Special Meeting of the Scotts Valley Planning Commission

Date: November 9, 2017

Time: 6:00 PM

CITY OF SCOTTS VALLEY 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5630	MEETING LOCATION City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066	POSTING: The agenda was posted at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .
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Appointed Officials	City Staff Members
Derek Timm, Chair Carlos Arcangeli, Vice Chair Robin Donovan, Commissioner Rosanna Herrera, Commissioner Deborah Muth, Commissioner	Taylor Bateman, Acting Community Development Dir. Michelle Edwards, Senior Planner Brenda Stevens, Assistant Planner

CALL TO ORDER: Meeting called to order at 6:07 p.m.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE: The Planning Commission Chair led the pledge of allegiance.

ROLL CALL: Present: Timm, Arcangeli, Donovan and Herrera. Absent: Muth

PUBLIC COMMENT: None.

ALTERATIONS TO CONSENT AGENDA: None.

CONSENT AGENDA: The Commission approved the minutes in one motion.

Action Meeting Minutes from the October 12, 2017 meeting.

M/S: Arcangeli/Donovan

To approve the Consent Agenda.

Carried: 4/0/1 (AYES: Arcangeli, Donovan, Herrera, Timm; NOES: None; ABSENT: Muth with cause.

ALTERATIONS TO REGULAR AGENDA: None

PUBLIC HEARING:

1. **Project Name:** Amendments to the City's Firearm Regulations

Address: City-wide

Applicant: City of Scotts Valley

Planning Permit Application No.: AZO17-002

Project Description: Consideration of recommendation of approval to the City Council of Amendments to the Zoning Ordinance (Section 17.04.090, Definitions, "F" terms; Section 17.20.030, Conditional uses in C-S Service Commercial Zoning District Regulations; and, Section 17.22.030, Conditional uses in C-SC shopping Center Commercial Zoning District Regulations, Title 17, Zoning, of the Scotts Valley Municipal Code) to require a use permit for new firearm retail, firearm repair service, and related uses.

Staff: Steve Walpole, Police Chief, 831-440-5649, swalpole@scottsvalley.org

M/S: Donovan/Herrera

To approve the amendments to the City's Firearm regulations with some further redefining and more specific language of other uses via Resolution No. 1722 Carried: 4/0/1 (AYES: Arcangeli, Donovan, Herrera, Timm; NOES: None; ABSENT: Muth)

2. Due to a lack of a quorum, this item will be rescheduled and re-noticed to a future date uncertain.

~~**Project Name:** Bay Mountain Mixed use~~

~~**Address / APN:** 4803 Scotts Valley Drive / 022-082-76~~

~~**Applicant / Property Owner:** Robert Kim~~

~~**Planning Permit Application Nos.:** U17-002, DR17-003, DR17-004,~~

~~**Project Description:** Consideration of a Use Permit, Design Review, Sign Design Review, and reduced (shared) parking to allow a mixed use development on a 0.41-acre site in the C-S Service Commercial Zone. The project proposes a new three-story building with approximately 1,800 square feet of ground floor retail space; 2,530 square feet of second floor office space; and six apartment units on the third floor. Site improvements and amenities include: 19 parking stalls, landscaping, enclosed trash, recycling area, bicycle parking, and a public art feature.~~

~~**Staff:** Scott Harriman, Contract Planner, skharriman@sbeglobal.net~~

REGULAR AGENDA: None

DISCUSSION ITEMS AND FUTURE AGENDA ITEMS: None.

WRITTEN COMMUNICATIONS – FOR INFORMATION ONLY: None.

DIRECTOR UPDATES: None.

ADJOURNMENT: 6:35

**City of Scotts Valley
PLANNING COMMISSION
STAFF REPORT**

Date: December 14, 2017

**Applicant /
Property Owner:** Robert Kim

Architect: Daniel Silvernail Architects, Inc.

Applications: Use Permit U17-002 and Design Review DR17-003

Location: 4803 Scotts Valley Drive / APN 022-082-76

General Plan / Zoning: Service Commercial / C-S

Environmental Status: Exempt from environment review and qualifies for a
Categorical Exemption from the California Environmental
Quality Act under Section 15332, Class 32, In-Fill
Development (urbanized area less than five acres in size).

Request: Consideration of Use Permit and Design Review applications
to allow construction of a new 11,592-square foot, three-story
mixed-use development on a 0.41-acre site in the C-S
Service Commercial Zone. The project proposes ground floor
retail, second floor commercial office space, and six
residential apartment units on the third floor.

Staff Planner: Scott Harriman, Consulting Planner, (650) 587-7300 x66
sharriman@rgs.ca.gov

STAFF RECOMMENDATION

Staff recommends that the Planning Commission approve Use Permit U17-002 and Design Review DR17-003 by adopting the findings in the attached Resolution, subject to the attached Conditions of Approval in Exhibit A.

SITE AND PROJECT DESCRIPTIONS

The project proposes a three-story, 35-foot tall, 11,592-square foot, mixed-use development consisting of approximately 1,800-square feet of ground floor retail, 2,528-

square feet of commercial office space on the second floor and six residential apartment units on the third floor. The building is designed with a porte-cochere drive aisle with partially covered parking and an atrium-style open roof that provides light and air on the second and third floors. The project is situated on a previously developed, now vacant 0.41-acre parcel on Scotts Valley Drive in the C-S, Service Commercial Zone.

The 0.41-acre parcel was created in 2014 through a subdivision that allowed for eight two-story single-family homes on Siri Lane, a private street to the rear of the subject site. The site has a gentle slope of five-percent from the rear of the parcel downward toward the street frontage. The site is sparsely vegetated with four on-site trees, which would be removed. Other trees are located off-site in close proximity to the north and south property lines.

The site contains one existing driveway along the Scotts Valley Drive frontage, which would be relocated southerly approximately 60-feet as part of the proposed development. Access to the site through the driveway is limited to right-in and right-out due to the existing median on Scotts Valley Drive. The site is surrounded by existing land uses on all adjacent parcels; residential to the south and west, a commercial auto repair facility to the north, and Scotts Valley Drive to the east. All public utilities are available to the site.

The project proposes site grading such that the proposed building's first floor finished grade will be approximately five-feet lower than the adjacent residential site to west (rear); one-foot lower than the adjacent site to the south; and one to four feet lower than the auto repair facility to the north. These grade changes would be supported by architectural grade split-face block retaining walls and six and eight-foot high redwood fences along the southerly and northern property lines respectively.

The proposed three-story building is 35-feet in height with two elevator/stair towers and rooftop mechanical equipment. Pursuant to Section 17.46.050, towers and roof-top mechanical appurtenances are permitted to exceed the building height limit provided they cover not more than 10-percent of the ground area covered by the building and erected to a height not more than 25-feet above the height limit. In this case, the roof-top mechanical equipment is approximately three feet above and the two elevator/stair towers rise approximately 7.5-feet above the 35-foot height limit, well below the 25-foot allowable height limit. The roof-mounted mechanical equipment and towers total less than 10-percent of the 8,300-square foot ground area covered by the building.

Exterior siding materials on the building include coursed fieldstone on the retail commercial ground floor and cement plaster finish on the second and third floors. Architectural details throughout the building include wood and metal deck railings, anodized aluminum windows for each level; commercial storefront windows on first and second floors and operable vinyl casement windows on the residential third floor. An elevator tower, clad in fieldstone, is proposed at the north elevation. The applicant is proposing to utilize this elevator tower as the location for a public art feature, which is shown as an "eye" that functions as a clock.

The project proposes 19 full-size parking stalls, two of which are handicap accessible. The existing driveway that serves the site will be relocated to accommodate on-site

vehicle circulation. The new driveway and drive aisle forms a "hammer-head" turn-around that allows service vehicles the ability to turn around on-site and exit onto Scotts Valley Drive in a forward direction. The relocated driveway requires the project to relocate a number of existing pad-mounted utility cabinets. The area below the driveway surface will be used for the required stormwater retention and filtration system.

The site plan includes perimeter landscaping, front and rear yard landscaping including an open space lawn area of approximately 708-square feet. Landscape irrigation would be served with recycled water. Project plans include a stormwater control plan that provides retention and filtration of stormwater. Paved accessible walkways are provided around the site with two pedestrian sidewalks to the public sidewalk. Bicycle parking is also provided near a fully enclosed trash and recycling enclosure at the rear of the site. The applicant has reported that they have confirmed with the local trash hauler that adequate over-head clearance is provided to accommodate access to trash enclosure for pick-up.

The project requires a Conditional Use Permit for multi-family dwellings located above the ground level commercial use, Architectural and Site Design Review, Environmental Review and Sign Review. The applicant is also requesting Planning Commission consideration of reduced (shared) parking for the mixed-use project pursuant to Scotts Valley Municipal Code (SVMC) Section 17.20.045, Development Standards for Mixed-Use Projects.

DISCUSSION AND ANALYSIS

Staff has reviewed the proposed project for compliance with the City's regulations and requirements. The project is subject to C-S, Service Commercial zoning development standards, a Use Permit, and Design Review. An analysis of the project and applicable code provisions for the Planning Commission's consideration is provided below.

Use Permit for Multi-Family Dwellings: In the C-S, Service Commercial zoning district, multi-family dwellings located above the ground-level commercial use is a conditional use which requires use permit approval by the Planning Commission. The use permit process evaluates if the proposed use is consistent with the objectives of the zoning district and if the use will have a negative impact on adjacent uses. This section evaluates the project's compliance with the C-S zoning district regulations.

Zoning Compliance: The following table describes the projects compliance with the C-S zoning standards.

C-S, Service Commercial Development Standards			
Standard	Required	Provided	Compliance
Bldg. Coverage	45%	42%	Yes
Setback - Front	20-feet	30.75-feet	Yes
- Rear	0-feet	20-feet	Yes
- Side	0-feet	15' left/ 0' right	Yes
Residential Side	10-feet	10-feet	Yes
Height	35-feet	35-feet	Yes
Height exception	Additional 25-feet for towers, roof-top mech. equipment, etc.	7.5-feet for tower, 3-feet for mech. equipment	Yes

Fence	6-foot adjacent to "R"	6-foot redwood fence	Yes
Landscape Area	Min 10%	23%	Yes
Front Landscape	Min 10-feet	Average 10-feet	See landscape discussion below
Trash Disposal	Adequate/Screened/Accessible	Adequate/Screened/Accessible	Yes

As shown in the table above, the project is consistent with C-S Service Commercial zoning standards with the possible exception of the front landscape depth requirement, which is discussed in the Design Review landscape section below.

Mixed-Use Development Standards: Section 17.20.045 of the C-S zoning district regulations include development standards for mixed-use projects designed specifically to insure an appropriate accommodations between commercial and residential uses on the same or adjacent parcels. Standards for mixed-use projects include a residential density range, shared parking, private and community outdoor space, location of truck docks (not applicable in this case) and setbacks for residential uses. The Planning Commission has discretion in review of shared (reduced) parking and provision of private and common useable open space areas.

The table below provides an overview of project's compliance with the C-S zone mixed-use development standards.

Mixed-Use Development Standards in C-S Zone			
Standard	Required	Provided	Compliance
Residential Density	15-20 units/acre	6 units (15 units/acre)	Yes
Parking	Per zoning: 31 spaces Shared parking may be permitted by PC if viable	19 spaces Shared parking proposed	Subject to PC determination. See analysis below.
Private outdoor space	100-sq ft of private outdoor area per unit. PC may allow common open space in lieu of private space for all units	708-sq ft of ground level lawn common space plus four private balconies averaging 120 square feet each.	Subject to PC determination. See analysis below.
Truck loading dock location	N/A	N/A	N/A
Residential setbacks:			
Front	10-feet	30.5-feet	Yes
Rear	15-feet	20-feet	Yes
Left Side	10-feet	15-feet	Yes
Right Side	10-feet	10-feet	Yes

The following analysis is provided to assist the Planning Commission in the evaluation of the project's proposed shared parking and private outdoor space.

Traffic Analysis and Shared Parking: A transportation and parking impact analysis dated August 1, 2017 was prepared by J. Daniel Takacs, CA TE 1549, a California registered Traffic Engineer, which evaluates potential impacts to the City's transportation network and to assess the proposed shared parking plan. The report states that the project is estimated to generate 12 net new trips during the AM peak hour and 15 net

new trips during the PM peak hour, and concludes that the project would not have a significant impact to the city's traffic operations.

The parking requirement for each of the three proposed uses calculated independently is 31 spaces as shown in the table below.

Individual Use Parking Space Requirement			
	Standard	Floor area	Required
Retail	1 space/250sf	1878sf	7.5
Office	1 space/250sf	2528sf	10.1
Residential	2/unit + 1guest/5units	6 units	13
Total			30.6 (31)

Shared Parking: Pursuant to Section 17.20.045(B), the Planning Commission may reduce parking standards in cases where shared parking is feasible and viable. In this case, the proposed mixed-use project provides 19 full-size parking stalls in a shared parking arrangement based on the peak parking demand for the combined uses. Analysis of the parking demand for the project is included in the traffic report (Transportation Study, Exhibit 10A and 10B) and includes weekday and weekend parking demand, for retail, office, and residential, hourly from 6AM to 12 midnight.

The parking demand study concludes that the project's weekday shared parking demand is estimated to be 19 parking spaces and the weekend shared parking demand is estimated to be 12 parking spaces. With 19 parking spaces provided on the project site, the estimated shared parking demand of 19 spaces will equal the parking supply. The report states that, ideally, it is desirable for the parking supply to exceed the peak parking demand by 5 to 10 percent (1 to 2 additional spaces) to provide a buffer over the estimated parking demand, and recommends that the owner of the project limit residential units to one vehicle per unit.

In review of the proposed mixed-use shared parking plan, the parking demand study, and street parking in the surrounding area, any potential burden of a parking shortfall on the project site would fall on tenants of the proposed development. As the residential units are rental (not for-sale units), the property owner could limit residential parking in rental leases. Residents of rental units with parking restrictions tend to be self-selecting and are therefore less impacted by parking limitations. Street parking is not permitted on Scotts Valley Drive, however there is street parking on Carbonero Drive, which is often heavily used during daytime hours, although lesser so during evening and early morning hours when residential parking demand is highest.

Transportation alternatives are available to the site. Santa Cruz Metro currently operates Bus Route 35A on Scotts Valley Drive, providing weekday and weekend service between Santa Cruz Metro Transit Center in the Boulder Creek area. Route 35A bus stops are located on Scotts Valley Drive at Civic Center Drive, which is about 1,050 feet south of the project site, and Dunslee Way, which is about 600 feet north of the project site. Service headways are one-half hour on weekdays and one hour on weekends. The project also includes bicycle parking on site.

Based on the above analysis, the Planning Commission may find that the shared parking for the proposed mixed-use development is feasible and viable and authorize the requested parking reduction.

Private outdoor space: Pursuant to Section 17.20.045(C), each dwelling shall have private, usable outdoor space, i.e. decks, balconies, yards, or patios of one hundred square feet per residential unit. The Planning Commission may determine that the required private outdoor space is not appropriate in a particular building design and allow the required outdoor space to be common open space for all residential units.

In this case, the project includes six residential apartment units: four two-bedroom units and two one-bedroom units. The four two-bedroom units each have private outdoor deck space. The sizes of the private decks for units 1, 2, 4 and 5 are: 90, 160, 114, and 117-square feet, respectively. Three of the four decks comply with the 100-square foot size requirement. The two one-bedroom units do not have private open space. The project does provide a rear-yard common landscaped area that includes a lawn area approximately 59-feet long by 12-feet wide, with an area of 708-square feet. This residential common open space area would be available to all tenants of the building and exceeds the 100-square foot per unit standard, albeit not private. In addition, the atrium open-roof design on the second and third levels provides a unique opportunity for an outdoor environment within the building's interior. The Planning Commission may determine that the project's 708-square foot lawn area and unique open roof atrium design provides an appropriate level of useable outdoor space accessible to all of the building's tenants, and includes private decks for four of the proposed six residential units.

Design Review for New Structures: Architectural and Site Plan Design Review is required by the Planning Commission for all (new) structures and signage in the C-S zoning district. The following section describes the project's architectural details and compliance with the required design review criteria.

Site Plan: The proposed mixed-use building is located centrally on the lot and complies with all required commercial and residential setbacks. The site plan incorporates landscaping throughout the site, adds 11 new trees, provides a trash and recycling enclosure, 19 parking stalls, and special paving details, and is designed to accommodate storm water treatment and retention. The building's open-roof interior atrium and ground level courtyard design, and landscaped site plan work together to create an interesting indoor and outdoor experience.

Architecture; mass, colors, proportions, details: The building's architectural massing and details could be described as horizontal in nature. The design de-emphasizes height through the use of long continuous features such as horizontal arbors and deck railing that run the entire length of the building, an articulated flat roof design, and the building materials and color pattern, which includes a different color on each of the three levels.

The project proposes a durable ground floor material of stacked (coursed) fieldstone for the commercial façade that provides visual "weight" to anchor the building. The second and third floors are clad in cement plaster with a medium earth-tone color on the second level and a lighter color on the third floor. Anodized aluminum window systems are used

throughout the building with storefront windows on the ground floor, multiple-light windows for the second level office space, and operable casement windows on the residential third level. The window sizes are scaled for their application, with larger storefront windows on the ground level, getting progressively smaller on the second and third levels, creating a hierarchy of design.

Architectural details include decorative trellises, glass skylights, decks with wood and metal railings, fascia bands, and roof overhangs that provide shade, add visual depth, and "cap" the building design. Roof-mounted equipment is located toward the center of the roof and behind sound-attenuating mechanical screening. An elevator/stair tower is proposed on the north façade, clad with stacked fieldstone to match the base material. Windows are situated on the front and rear tower elevations to allow natural light into the interior space. The elevator tower is also the location for the project's public art contribution, which is shown as a clock in the shape of an eye.

Lighting: The project proposes exterior lighting to include a pole light at the front driveway entrance, low bollard lighting around the rear yard landscaped area, and wall fixtures on the front building façade. Conditions of approval require any pole lights to be a maximum of 12-feet in height and all light sources to be down-directed and shielded to prevent glare onto adjacent properties. Conditions of approval also require that lighting in the porte-cochere be recessed in the ceiling with no exposed light sources or electrical conduit. All exterior light fixtures are required to be architectural grade to complement and integrate into the building design. In addition, conditions of approval require that lighting in the two stair towers be designed to reduce light intrusion on neighboring residential properties.

Signage: Pursuant to the city's sign ordinance, Section 17.56.180, an integrated sign program may be prepared for developments with three or more tenant spaces. The applicant is proposing an integrated sign program to accommodate a variety commercial tenant spaces on the ground and second levels. One square foot of sign area is permitted for each linear foot of storefront. The primary street-facing ground level storefront is approximately 57-feet in length, which would allow individual tenant signs totaling 57-square feet. The building is designed with three storefront colonnades, which could accommodate sign area for three tenants of approximately 19.5-square feet each; or individual tenant signs measuring 2-feet x 9.5-feet. The sign program, included as Exhibit B in the resolution, allows each primary street-facing ground floor tenant, or one tenant leasing the entire first floor, to have one storefront identification sign.

A fourth front-facing tenant sign, to accommodate a secondary retail tenant with interior courtyard frontage within the building, may be permitted. The fourth tenant sign could be located between the street-facing colonnades over the covered parking area. This colonnade sign band could accommodate a secondary tenant sign of similar size and design as the three primary tenants. The secondary sign colonnade in the covered parking area would provide appropriate way finding to the entrance of the secondary retail area. No commercial signage would be permitted over the driveway colonnade.

Signage for the second floor office space would be accomplished through a pedestrian level tenant directory sign at the main courtyard entrance. Street-facing window signs for the second level tenants are also proposed. Window signage is permitted on second

floor spaces, however use of neon is discouraged. Staff recommends that second level window sign be non-illuminated and designed to fit within an individual windowpane.

Center Identification: The project proposes a 6'-3" tall freestanding sign along the site's frontage. One freestanding monument sign may be permitted to identify the center, pursuant to the sign ordinance, Section 17.56.180. The maximum allowable sign area for the freestanding sign is 40-square feet for each acre of land. In this case, the 0.41-acre site would be permitted a maximum freestanding sign area of 16.4-square feet. The project proposes a freestanding sign face measuring 6-feet by 2.5-feet or 15-square feet, in compliance with the maximum allowable area. The monument sign is setback approximately seven-feet from the back of the public sidewalk in compliance with the minimum setback requirement of five-feet.

Landscaping and Irrigation: The project proposes irrigated landscaping throughout the site and a variety of ground covers, and low and medium height bushes. A common open space lawn area is proposed at the rear of the site. A total of 11 new trees are proposed including six 24-inch box trees and five 15-gallon trees. The irrigation system will utilize recycled water.

In review of the landscape plan, staff notes that sufficient numbers of plants are proposed although some of the plantings near the street may not be sufficiently hardy for their street front location and may be susceptible to freezing. Conditions of approval included in the resolution recommend the landscape architect provide alternative plant selections in the front landscape area. Staff also suggests placement of landscape boulders in strategic locations to enhance and provide variety to the landscape environment.

Front landscape dimension: As previously mentioned on the zoning compliance section above, Section 17.20.040(K) of the C-S zoning district states that not less than 10 feet of a required yard adjoining a street shall be landscaped and permanently maintained. The project provides a 10-foot landscape strip across the property frontage. However, approximately six-feet of the ten-foot wide landscape strip is within the public right-of-way, which is not the project site's required yard. Four-feet of the 10-foot landscape strip adjoining the street is within the project site's required front yard. However, the proposed building is setback over 30-feet from the front property line which provides additional front yard and architectural foreground landscaping, including a 25-foot wide and 30-foot deep landscaped area along the northern property frontage. The project proposes three new 24-inch box trees within the 30-foot front setback, spaced across the sites and in front of the building to provide additional front yard landscape enhancement. Staff believes there may be room for two or three additional trees adjacent to the public sidewalk that would provide additional public benefit along the property frontage.

Expanding the front yard landscape width adjacent to the front sidewalk to achieve a 10-foot wide planter width would impact the vehicle turn-around and likely eliminate two parking spaces. Staff believes that the 30-foot building setback with front yard and architectural foreground landscaping as proposed, enhanced further with two or three additional street trees, provides an appropriate balance of landscape and hardscape and in total, meets or exceeds the minimum 10-foot width front landscape requirement.

Trees: An arborist report was prepared for the proposed development which evaluates 16 trees associated with the proposed development; four on-site and 12 immediately adjacent trees with canopies that over-hang the project site. The project proposes to remove the four on-site trees, two of which (#21 and #30) meet the City's "protected" criteria. Tree #21, a Valley Oak, is identified as having "fair" health and "poor" structure. Tree #30, a Coast Redwood, is identified as having "good" health and "poor" structure with a high failure potential. To compensate for the loss of these two protected trees the arborist report recommends eight replacement trees; six 24-inch box trees and two 15-gallon replacement trees, and a maintenance and monitoring program as a condition of project approval. In addition to the eight required replacement trees, the project landscape plans includes three additional 15-gallon trees for a total of 11 trees to be planted throughout the site. Proposed replacement trees are European Hornbeam (five 24-inch box), Chinese Pistache (one 24-inch box) and African Sumac (five 15-gallon).

The remaining 12 trees that will be potentially impacted by the proposed construction are located on adjacent properties to the north and south. Preconstruction root-pruning and canopy clearance pruning, under the direction of the project arborist, is recommended. The arborist report recommends a simple direct cable to support weakly attached stems of tree #18 on the adjacent property to the north. Any work performed off-site by the applicant, such as recommended for tree #18, can only be performed with the permission of the property owner. The arborist report includes the appraised value of trees to be preserved and protected as part of the proposed development plan. Conditions of project approval require compliance with the arborist report, planting replacement trees, and bonding of protected trees.

Parking and paved areas: A discussion of the shared on-site parking is included in the use permit section. From a design perspective, the parking lot is composed of a combination of pervious pavers, concrete and stamped concrete. Paved areas throughout the project site are appropriately detailed for the scale of the development.

Vehicle Circulation: Ingress and egress to the site occurs through a conventional two-way circulation pattern. Parking stalls are designed with vehicle overhangs to allow for wider walkways, rather than concrete wheel stops that are not durable and can be a tripping hazard in parking areas. A hammerhead turn-around is provided to enable service vehicles the ability to turn around on-site and exit onto Scotts Valley Drive in a forward direction. A service vehicle turning template is provided on civil engineering plan sheet, C2.1, to demonstrate the vehicle turning movement.

Fence Details: The project is proposing to maintain the existing 8-foot tall solid wood and lattice fence along the rear (west) property line due it's relative new age, good condition, and unique design. The applicant is proposing a new 8-foot tall solid wood fence, pursuant to Section 17.46.110(F), along the shared property line with the auto repair facility to the north. Along the southern property line, which is shared with a number of residential units, the applicant is proposing to install a new 6-foot tall good neighbor solid wood fence. Conditions of approval require that all fences be designed and constructed with over-lapping fence boards with no air gaps to reduce noise levels on adjacent properties. The applicant has expressed a willingness and desire to work with all adjacent property owners along shared property lines to ensure that all new and existing fences are permanently maintained.

Environmental Determination: The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Categorical Exemption 15332, In-Fill Development Projects.

Class 32 consists of projects characterized as in-fill development that: are consistent with the applicable general plan and zoning designations and regulations; are within city limits on a project site of no more than five acres substantially surrounded by urban uses; the project site has no value as habitat for endangered, rare or threatened species; approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; the site can be adequately served by all required utilities and public services.

In this case, the project site is consistent with the C-S, Service Commercial General Plan and Zoning designations, is within the city limits on a 0.41-acre site surrounded by developed urban uses. The site was previously developed, and has no value as habitat for endangered, rare or threatened species. Approval of the proposed mixed-use project would not result in any significant effects relating to traffic, noise, air or water quality. Further, the site is adequately served by all required utilities and public services. The project is therefore exempt from CEQA.

PUBLIC NOTICE & COMMENT

A public notice was posted on the site and mailed to surrounding property owners within 300 feet pursuant to State law. One comment letter has been received (Attachment 7).

FINDINGS AND CONCLUSION

Based on this analysis and the attached Conditions of Approval in Exhibit A, staff believes that the required findings can be made, as shown in the attached Resolution. Other reviewing City Departments and public agencies have reviewed the proposed use and plans and have recommended approval. Staff recommends that the Planning Commission approve Use Permit U17-002 and Design Review DR17-003, subject to the attached Resolution and Conditions of Approval in Exhibits A and B.

ATTACHMENTS

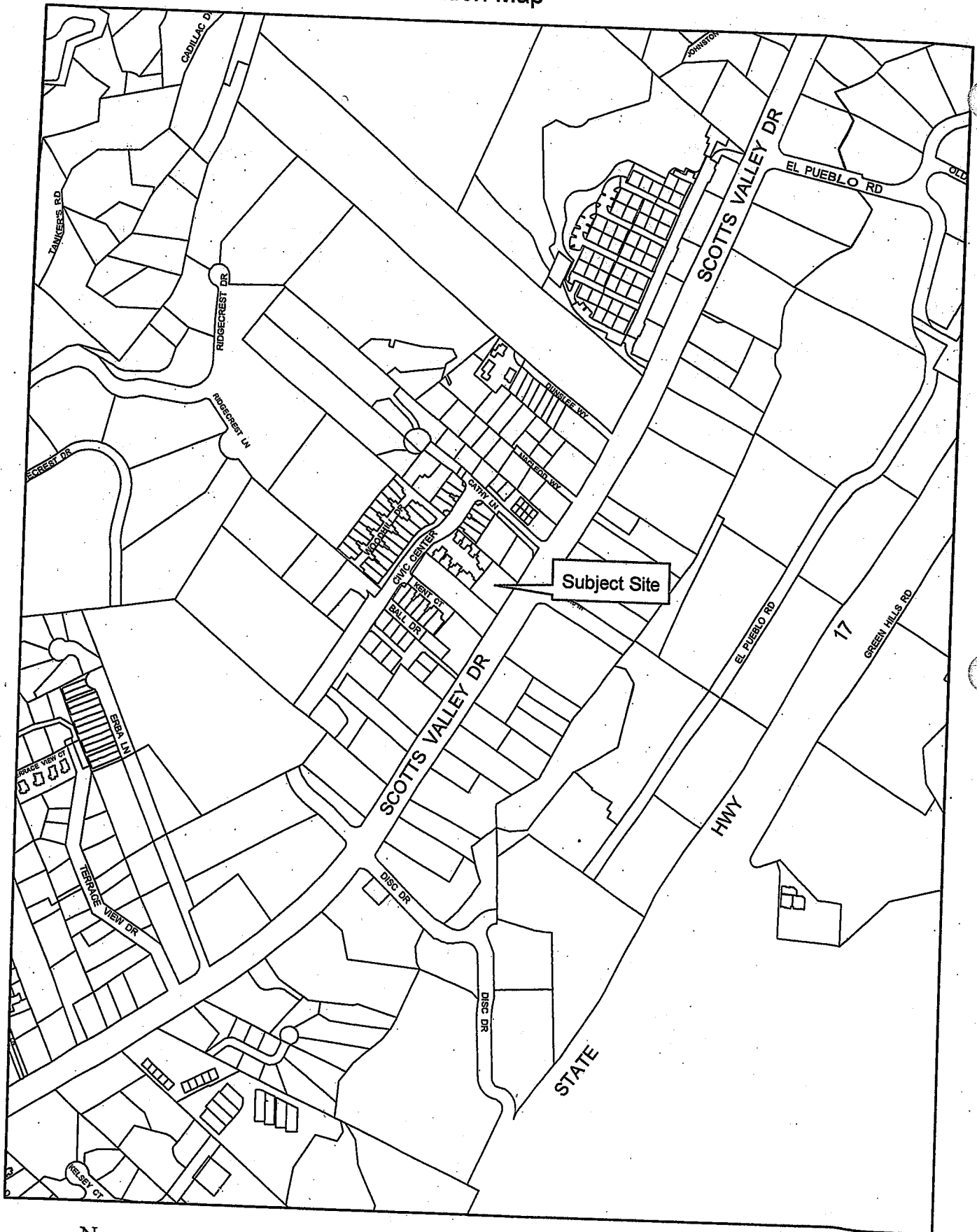
PAGE

Resolution to Approve Use Permit U17-002 & Design Review DR17-003
(Action Item)

- Exhibit A – Conditions of Approval (Attached)
- Exhibit B – Planned Sign Program (Attached)
- 1. Location Map..... 12
- 2. Project Plans (Attached)
- 3. Transportation and Parking Technical Report prepared by: J. Daniel Takacs, TE dated August 1, 2017 (Attached)
- 4. Acoustical Engineering Study prepared by: magic sound dated February 27, 2017 (Attached)
- 5. Geotechnical Investigation prepared by: Dees and Associates, Inc. dated February 2017 (Attached)
- 6. Tree Resource Evaluation prepared by: James P. Allen and Associated revised

- dated October 20, 2017 (Attached)
7. Comment letter received from Richard W. Smith dated October 23, 2017 (Attached)

* *Please note that the project plans are provided in the Planning Commission packets. However, the project plans and file are available for public review in the Planning Department Monday-Thursday 8AM-12PM, or by appointment, at City Hall, One Civic Center Drive, Scotts Valley. Please call the Planning Department at (831) 440-5630 if you have any questions.*



4803 Scotts Valley Drive

Exhibit A

Conditions of Approval (#1 - #68)

Legal

1. The developer has agreed to and shall defend, indemnify and hold harmless the City of Scotts Valley, its officers, agents and employees from any claim, action or proceeding against the City or its officers, agents or employees to attach, set aside, void or annul any action of the City in connection with approvals under the California Environmental Quality Act or with respect to approval of the project, which action is brought within the time period(s) prescribed by law. The City shall promptly notify the developer of any such claim, action or proceeding and shall fully cooperate in defense.
2. The developer/applicant shall sign the Conditions of Approval agreeing to the Conditions of Approval prior to issuance of any grading/building permits, transfer of title, or within 30 days of approval of these planning permits, whichever occurs first.
3. The developer shall obtain all required demolition, grading, improvement plans, and building permits and pay all appropriate required fees before starting any grading/earth disturbance on the property.

Planning Department

4. The approved planning permits include a Use Permit and Design Review to build a new three-story mixed-use building composed of approximately 1,900 square feet of ground floor retail, 2,530 square feet of second floor office, six residential apartment units on the third floor, and related property improvements on a 0.41-acre site, as shown in the plans prepared by Daniel Silvernail Architects, Inc., C2G / Civil Consulting Group, Inc., Gregory Lewis Landscape Architect stamped approved, which are on file in the Planning Department.
5. All site improvements shall be in conformance with the plans stamped approved, unless otherwise conditioned in this Exhibit to the satisfaction of the Community Development Director (CDD) and City.
6. Any future changes to the approved plans that the developer and/or other reviewing agencies initiate and/or propose, shall require prior review and approval by the CDD/City and CDD confirmation regarding the level of environmental review and planning permits. As determined by the CDD, minor changes may be approved by the CDD while major changes may require review and approval by the Planning Commission and/or City Council, paid by the developer.

Grading

7. All recommendations in the geotechnical report prepared by project geotechnical engineer, Dees & Associates, Inc., dated February 2017, are incorporated as conditions of project approval.
8. The limits of grading shall be clearly marked on the site prior to the issuance of a grading or building permit.
9. The location of all soil to be exported shall be reviewed and approved by the Building Department prior to issuance of a grading or building permit.

Noise

10. All recommendations in the Acoustic Engineering Study, prepared February 27, 2017, are incorporated as conditions of project approval.
11. Roof-mounted mechanical equipment screening shall be designed with sound attenuating features to reduce noise levels on neighboring properties.
12. All fences shall be designed and constructed with over-lapping fence boards with no air gaps to reduce noise levels on adjacent properties.

Trees

13. All recommendations in the Arborist Report dated May 14, 2017, revised October 2017, are incorporated as conditions of project approval.
14. No tree removal shall occur until grading/building permit issuance.
15. The project developer shall place a surety bond in an amount equal to the value of the preserved trees as shown in the project Arborist Report. The surety bond shall be deposited with the city prior to issuance of a grading/building permit for the project. The monetary value shall be reviewed and approved by the CDD. If damage occurs to the preserved trees during development and/or construction, funds will be drawn from the deposited amount. Funds remaining in the account will be returned to the developer upon final inspection of the project.
16. Prior to the issuance of any grading or building permits, the project arborist shall inspect tree protection fencing and the completion of pre-construction treatments.
17. The project arborist shall routinely inspect the development site through the term of the project.

Landscaping

18. The landscape architect shall provide alternative street front landscape

selections for CDD review and approval as part of the building permit review process.

19. The landscaping improvements shall be permanently maintained and irrigated.
20. The landscape plan shall incorporate natural features, such as boulders, to enhance the landscape area.

Lighting

21. The final exterior lighting plan shall comply with regional dark sky policies and shall be reviewed and approved by the CDD prior to issuance of building permit of vertical construction.
22. Any pole lights installed within the project site shall use shielded light fixtures with pole heights not to exceed 12 feet, consistent with City policies and design guidelines. Exterior light levels are to be at the lowest level and carefully controlled for security, aesthetics, safety and identification without interfering with nearby land uses.
23. All exterior building lighting, including overhead lighting in the porte-cochere, shall be designed to integrate into the building architecture with shielded and recessed light sources with final light fixture approval prior to the issuance of any building or grading permit.
24. All exterior lighting shall be the minimum necessary for security and all lighting shall be down directed with the light source not directly visible from adjacent properties. Where deemed necessary by the CDD light cutoffs/shields shall be installed.
25. Lighting within the stair towers shall be designed to reduce light intrusion on neighboring residential neighbors.

Signs

26. All commercial signage shall comply with the Planned Sign Program as provided in Exhibit B.

Affordable Housing

27. Prior to the issuance of any building or grading permit, the developer shall pay the affordable housing in-lieu fee in effect at the time of permit issuance.

Building Department

28. The developer shall obtain any required grading and/or building permit(s) and pay applicable fees.

29. Winter grading shall require prior review and approval by the City.
30. The developer shall pay all applicable City development impact fees before grading and/or building permit issuance.
31. The developer shall pay school impact fees to the Scotts Valley Unified School District before building permit issuance.
32. All trades of electrical, plumbing and mechanical will be issued under one building permit for said project (General Contractor permittee).
33. All buildings shall be designed to comply with the current codes in effect at the time of building permit issuance.
34. The building permit plans must comply with the current California Building Code (CBC) for water-conserving fixtures and fittings and with the CA Energy Commission Building Energy Efficiency Standards, which includes energy-saving fixtures and appliances to be used throughout the building.
35. All structures shall comply with the most current California Energy Commission Standards (Title 24).
36. Provide an EV charging station.
37. All new construction shall comply with the City's current Green Building Guidelines, which requires various low-impact-development and resource efficient techniques, to the satisfaction of the CDD.
38. Structural calculations shall be submitted and wet-signed by the Engineer of record.
39. Provide names of Special Inspectors with certifications as required.
40. A soils report by a qualified geologic engineer shall be submitted with the application for any building permits.
41. All new utilities shall be installed underground.
42. The developer shall comply with the City's standard erosion control measures. The plans submitted for a building permit must include best management practices (e.g. erosion control practices and procedures) during construction, which include complying with Regional Air Quality Control Board emissions for construction equipment.
43. Site drainage erosion control and foundation plans must be reviewed and approved by a soils engineer.

44. The developer shall submit a plan review letter from the project Geotechnical Engineer confirming that the construction documents comply with the project geotechnical engineer's recommendations.
45. To ensure that City requirements are met, the developer shall specify to the Building Official the off-site disposal location of any exported soil material at a pre-construction meeting or before grading permit issuance. If the disposal site is located outside the City, the site shall be a legal facility such as a licensed landfill or permitted fill site.
46. Developer shall submit a plan showing temporary (during construction) and permanent erosion control measures will need to be submitted to the Regional Water Quality Control Board (RWQCB), the agency that administers NPDES, and the City Building Department for review and approval.

City Public Works Department- Engineering Division

47. Engineered Improvement Plans shall be submitted for all on site and off site work and will be approved by the Public Works Director/City Engineer. On-site and off-site (encroachment) civil engineering permits must be issued by the City prior to commencing any work. Improvement Plans shall include any necessary grading, drainage, masonry retaining walls, driveway, utilities, utility pole relocation, frontage improvement and/or repair of sidewalk, curb and gutter or similar facilities required satisfying tentative map conditions to the satisfaction of the Public Works Director/City Engineer. All improvements shall conform to the design standards contained in text and illustration in the "City of Scotts Valley Standard Details", latest revision adopted by the City Council.
48. The project shall connect to the City's recycled water system.
49. Pursuant to City Council action on March 3, 2010, the Applicant shall modify the Traffic Impact Study to address the Mount Hermon Road/Scotts Valley Drive and Mount Hermon Road /La Madrona Drive intersections to determine the additional peak hour trips through the intersections. Specifically AM and PM peak hour trips for Mount Hermon Road /Scotts Valley Drive and PM only peak hour trips for Mount Hermon Road /La Madrona Drive. The study will also determine if the additional trips will degrade the Level of Service (LOS) of the intersections. The findings of the study will determine the amount owed for the Mount Hermon Road traffic mitigations fair share contribution. The Applicant shall conclude this study and pay any associated fees prior to the issuance of a Building or Grading permit.
50. Applicant shall relocate driveway approach and replace curb ramp with standard sidewalk, curb and gutter. Applicant shall construct street improvements for the full parcel frontage in accordance with the City of Scotts Valley Standard Details, latest revision, adopted by the City Council.

51. The project shall connect to the sanitary sewer system and existing septic systems, if any, shall be properly abandoned.
52. Engineered improvement plans for all work, signed and prepared under the direction of a registered civil engineer, shall be approved by the Public Works Director/City Engineer prior to commencing work.
53. All work in the public right-of-way will require an encroachment permit application made to the satisfaction of the Public Works Director/City Engineer. The civil on-site work, as plan reviewed by the Public Works Department, will require an on-site civil engineering permit and inspection..
54. All public improvements shall be guaranteed by written Agreement with the city, Faithful Performance Bond, and Labor and Material Bond, to the satisfaction of the Public Works Director/City Engineer.
55. Pre-Construction Meeting: In order to ensure that project details are communicated to the various parties responsible for constructing the project, prior to any disturbance on the property, with the exception of installation of temporary construction fencing demarcating the disturbance envelope, tree protection fencing, and silt fencing, the developer shall convene a pre-construction meeting on the site. The following parties shall attend: the developer, the grading contractor supervisor, the project architect, the project arborist, the project civil engineer, City of Scotts Valley Planning staff, City Engineer and Building Inspector. The temporary construction fencing demarcating the disturbance envelope, tree protection fencing, and silt fencing will be inspected at that time.
56. All signing and striping shall be approved and completed as required by the Public Works Department, and shall be in conformance with current editions of Transportation and Traffic Engineering Handbook, by the Institute of Transportation Engineers, and the State Department of Transportation "Standard Specifications".
57. Applicant shall construct storm drain facilities in conformance with data and analysis in the adopted City of Scotts Valley Storm Drain Master Plan, December 1989 and in accordance with the city's SWMP Ordinance No. 184.1.
58. Stormwater Management Plan:
A registered civil engineer shall provide storm (hydrologic and hydraulic) calculations for appropriate storm drain facilities to control on-site drainage and mitigate off-site impacts. The design shall follow the criteria contained in the City of Scotts Valley Standard Details and the data and analysis contained in the latest adopted City of Scotts Valley Storm Drainage Master Plan. Development shall not increase the rate of flow (cubic feet per second) or velocity (feet per second) of site run-off water to any off-site drainage areas beyond the measured

or calculated pre-project rate and velocity. See the Stormwater Technical Guide on the Scotts Valley City website for requirements and formatting under Public Works.

59. Impervious area must be shown on cover sheet.
60. Applicant shall pay the cost to accomplish the utility design and construction to underground the telephone, electric power, and television cables in each project contained easement, private or public road frontage. This under grounding of utilities to remove utility poles comes in addition to the state required under grounding of transmission for the project and any new service connections.
61. The applicant shall repair any damage caused to the City streets [or the private roadway] by applicant or its contractors, consultants, and/or employees prior to issuance of a certificate of occupancy. A videotape log, DVD format, clearly showing the existing condition of [the applicable street] to the project site shall be presented to the Department of Public Works prior to the start of construction. Applicant is advised that, absent clear video evidence to the contrary, road damage must be repaired to the satisfaction of the City prior to issuance of a certificate of occupancy. Damage assessment will be at the sole discretion of the City.

City Public Works Department- Parks & Recreation Division

62. The developer shall comply with City Municipal Code Chapter 16.35, Dedication of Land for Park and Recreational Purposes.

City Public Works Department - Wastewater Division

63. Every sewer lateral crossing a curb line shall be marked with an "S" stamped in the face of the curb.

Scott Valley Fire Protection District

64. All development must comply with the California Fire Code as amended by the Scott Valley Fire Protection District.
65. Provide a rooftop access in the clock tower stairwell or via a utility on the third floor for access to any rooftop equipment or utilities.

Scott Valley Water District (SVWD)

66. The existing 5/8" meter serving the property must be abandoned and a credit will be applied to the properties account for a future meter purchase.
67. Plans submitted for building permit shall show the location of the existing 5/8" meter to be abandoned.

68. Every potable water meter will require a backflow device SVWD Detail 8, behind the meter.
69. Plans submitted for building permit shall include the following SVWD plan details: Detail 1-Service connections; Detail 2-Meter box installation; Detail 5-Gate value two-inch service connection; Detail 9-Fire service installation; Detail 11-Gate value installation; Detail 12-Value box lid markings; and Detail 13-Value box installation.
70. All recycled water systems must be designed according to the SVWD Rules and Regulations and must conform to the Recycled Water Irrigation Systems Standard Notes and Details.

Signature of Robert Kim, Property Owner/Developer

Date

RESOLUTION NO.
A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY
OF SCOTTS VALLEY APPROVING USE PERMIT U17-002 AND
DESIGN REVIEW DR17-003 TO ALLOW CONSTRUCTION OF A NEW
11,592-SQUARE FOOT, THREE-STORY MIXED-USE DEVELOPMENT
IN THE C-S, SERVICE COMMERCIAL ZONING DISTRICT AT 4803
SCOTTS VALLEY DRIVE / APN 022-082-76

WHEREAS, the Planning Department of the City of Scotts Valley has received Use Permit and Design Review applications to allow the construction of a new three-story mixed-use development in the Service Commercial zone, filed by Robert Kim, applicant and owner, at 4803 Scots Valley Drive / APN 022-082-76.

WHEREAS, the application was reviewed for completeness and is determined to be a "project" as defined by the California Environmental Quality Act (CEQA);

WHEREAS, the project is Categorically Exempt from further review under the California Environmental Quality Act under Section 15332, Class 32, In-Fill Development (project site in urbanized area of less than five acres);

WHEREAS, the project was reviewed by the Planning Commission at a regularly scheduled meeting on Thursday, December 14, 2017; and,

NOW THEREFORE, the Planning Commission of the City of Scotts Valley hereby resolves as follows:

SECTION 1: The environmental determination represents the independent judgment of the City.

SECTION 2: The CEQA categorical exemption is hereby approved.

SECTION 3: The Planning Commission of the City of Scotts Valley does hereby specifically make the following Use Permit findings, as further clarified in the staff report dated December 14, 2017:

- 1. *The location of the new three-story mixed-use building is in accordance with the objectives of the zoning ordinance and the purposes of the zoning district in which the site is located.*** The subject property is located in the City's Service Commercial (C-S) zoning district. The proposed three-story mixed-use development is consistent with provisions of C-S zone, which contains specific development standards to accommodate mixed-use developments. The project provides ground floor retail, second floor office space, and six residential apartment units on the third level. The project is proposed on a currently vacant and under-utilized site along this commercial corridor in Scotts Valley. Therefore, the project is in accordance with the objectives of the Service Commercial zoning district.
- 2. *The establishment, maintenance, or operation of the new three-story mixed-use***

building will not, under any circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of the proposed use or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city. The proposed mixed-use development is proposed on a currently vacant and under-utilized site prominently located on Scotts Valley Drive. The building provides retail and office space, adding to the City's employment and tax base, and provides six residential apartment units. The project will therefore not be detrimental to the health, safety or welfare of the City.

SECTION 4: The Planning Commission of the City of Scotts Valley does hereby specifically make the applicable Design Review finding, as further clarified in the staff report dated December 14, 2017:

1. ***The siting of any structure on the property as compared to the siting of other structures in the immediate neighborhood.*** The proposed mixed-use building is located centrally on the lot, setback approximately 30-feet from the front property line, exceeding the front setback requirements, and is in compliance with required rear and side yard setbacks for the commercial and residential uses. While there are no other mixed-use buildings on immediately adjacent lots, the project's site plan is similar to other new and existing commercial and residential buildings in the vicinity in that the project maintains an appropriate front setback, contains surface parking, landscape treatment throughout the site, protects existing neighboring trees and proposes 11 new 15-gallon and 24-inch box trees. The project is therefore consistent with other structures in the immediate area.

2. ***Materials, colors, proportion, mass and detail. All structures shall be in good proportion, have simplicity of mass and detail and be compatible in appearance with surrounding structures. There shall be an appropriate use of materials; colors shall be appropriate within the context of use and should blend with surrounding structures.*** The building provides articulation, visual interest and details at each level including decorative trellises, glass skylights, balconies with wood and metal railings, fascia bands, and roof overhangs that provide shade, add visual depth and "caps" the building design. Project materials include coursed (stacked) fieldstone on the ground floor retail façade and cement plaster finish on the second and third levels. Exterior materials are durable and provide visual weight to "anchor" building with earth-tone colors that get lighter on the second and third levels. Roof-mounted equipment is located toward the center of the roof to reduce its visual presence and placed behind sound-attenuating mechanical screening. A stairwell and elevator tower on the northern façade would be clad in matching coursed fieldstone and a window to add natural light to the interior space. The tower adds design interest, incorporates a vertical element (similar to a chimney) and visually connects the commercial and residential uses. The elevator tower is also the location for the project's public art contribution. Overall the building design incorporates simple and well-conceived and executed details, which provide interest and add to the architectural composition.

3. ***The size, location, design, color, number, lighting and materials of all signs and outdoor advertising structures. No sign shall be approved in excess of the maximum limits set by this title, but the size or number of signs in any area subject to design control may be reduced below this maximum number or limit.***

Tenant and center identification sign criteria proposed for this mixed-use project are consistent in size and number, and have been designed to integrate into building and site features. Individual tenant signs would be placed on an integrated architectural sign band on the ground floor retail storefront. Conditions of approval include a requirement for staff review of individual tenant signs as part of building permits for tenant occupancy.

4. ***Landscaping and Irrigation. Landscaping and irrigation plans shall be required on the site. Landscaping shall be in keeping with the character or design of the building. Existing trees shall be preserved wherever possible.*** The project proposes irrigated landscaping throughout the site and a variety of ground covers, and low and medium height bushes. A common open space lawn area is proposed at the rear of the site. The irrigation system will utilize recycled water. A total of 11 new trees are proposed including six 24-inch box trees and five 15-gallon trees. Conditions of approval require compliance with the project arborist report, which specifies tree preservation bonding, to insure preservation of existing protected trees. The proposed landscape and irrigation plan has been designed to enhance the building and hardscape improvements.

5. ***The size, location and arrangement of on-site parking and paved areas.*** The project provides 19 on-site full-sized parking stalls to serve the mixed-use development. A traffic and parking study, prepared by a California registered traffic engineer, estimates the peak demand for the mixed-use building to be 19 stalls during weekday, late morning and early afternoon, hours. The report recommends the building owner limit residential parking to one vehicle per unit in the rental agreement as a way to minimize potential parking overage. On-site paving has been designed to incorporate paving details such as stamped concrete and pervious pavers to enhance the appearance of the site and accommodate storm water treatment.

6. ***Ingress, Egress and Internal Traffic Circulation. All the above factors shall be related to the setting or established character of the neighborhood or surrounding area.*** The project relocates the existing driveway to accommodate service vehicle access, circulation and on-site turn-around to allow vehicles to exit the site onto Scotts Valley Drive in the forward direction. Ingress and egress remains right-in and right-out due to the existing median island along the Scotts Valley Drive frontage. The project's vehicle circulation is therefore consistent with the establish character of the neighborhood and surrounding area.

7. ***Height and access to sunlight, setbacks, landscaping and use of materials for articulation and visual relief for fences and walls over eight feet tall or fences over three feet tall in front yards when across from Hwy. 17.*** The project proposes to maintain the existing eight-foot high fence adjacent to the residential units to the west, and construct new six and eight-foot height solid wood fences along the shared property lines to the south and north, respectively.

8. ***Arbors in front yards, over 20 square feet in roof area or between eight and 10 feet in height: the design compatibility with the main structure and structures in the neighborhood, the mass and scale of the arbor, line of sight visibility for pedestrians and motorists in addition to other applicable standards of this section.*** The project proposes architectural arbors above the first and second levels of the building. The arbors have been designed as an architectural feature to provide visual interest and shade within the scale of the building. The arbors would be affixed to the building setback approximately 30-feet from the street and would not create any line of sight impacts to pedestrians or motorists.
9. ***Required Findings. The planning commission shall determine from data submitted whether the proposed building, structure or other improvement will meet the design standards prescribed in this section and in this title. The application may be disapproved, may be approved as submitted or may be conditionally approved. The approval shall be noted by an endorsement of the planning department on the submitted plans as approved.*** The project details are well conceived, thoughtful and appropriately executed for the scale of the site and the proposed mixed-use. The project is consistent with the C-S, Service Commercial zoning district and design review guidelines for commercial buildings. The project provides an appropriate and code-compliant balance of landscaped open space and paved surfaces. The building design incorporates sound attenuating features and materials to ensure that interior and exterior spaces are compliant with noise limits for sensitive noise receptors. The project is situated on a currently vacant and under-utilized site along an important commercial corridor in Scotts Valley and provides additional retail and office space as well as six residential apartment units

SECTION 5: After careful consideration of the application and related materials, plans, maps, facts, exhibits, staff report, testimony and other evidence submitted in this matter, and incorporated herein by this reference, the Planning Commission of the City of Scotts Valley does hereby approve Use Permit U17-002 and Design Review DR17-003 to allow a three-story, mixed-use develop at 4803 Scotts Valley Drive / APN 022-082-76, subject to the Conditions of Approval, set forth in "Exhibit A" which is attached hereto and incorporated herein by this reference.

THE ABOVE AND FOREGOING RESOLUTION was duly adopted and passed by the Planning Commission of the City of Scotts Valley at a regularly scheduled meeting held on the 14th day of December, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Derek Timm
Planning Commission Chair

Taylor Bateman
Acting Community Development Director

**City of Scotts Valley
PLANNING COMMISSION
STAFF REPORT**

Date: Thursday, December 14, 2107

Applicant: Karl Ryan with "Professional Touch Auto Body"

Property Owner: Vincent & JoAnne Cimera Revocable Trust

Applications: Use Permit U17-006

Location / APN: 5500-5520 Scotts Valley Drive / APN 022-042-17

General Plan / Zoning: Service Commercial / C-S

Environmental Status: Qualifies for a Categorical Exemption from the California Environmental Quality Act (CEQA) under Class 1, Existing Facilities.

Request: Consideration of a Use Permit application to locate an existing car rental business in the former "Ferrell's Donuts" building, located in the Service-Commercial (C-S) zone.

Staff Planner: Michelle Edwards, Senior Planner, (831) 440-5632 or medwards@scottsvally.org

STAFF RECOMMENDATION

It is recommended that the Planning Commission conduct a public hearing, hear public testimony, consider the application, and approve Use Permit U17-006 by adopting the attached Resolution, subject to the Conditions of Approval in Exhibit A.

PROJECT SITE

The subject property is 18,660 square feet in size (about 0.40 of an acre) and is fully paved and developed with a main building and various buildings and structures with surface parking, a freestanding pylon sign, and a narrow landscape strip along the north parking area fronting the street.

Existing buildings and structures are shown as Buildings A through F on Sheet 1 of the project plans, and are listed as follows:

- Building A (1,146 square feet) - detached building formerly occupied by "Ferrell's Donuts" and a catering business;
- Structure B 9840 square feet) - 3-sided open wash bay;
- Building C (3,800 square feet) - detached main building for "Professional Touch Auto Body" business;
- Structure D (840 square feet) - attached prep bay;
- Building E (460 square feet) - auto body shop;
- Building F (540 square feet) - attached storage area;
- Cargo containers (2) - storage; and
- Detached construction trailer - break room.

PROJECT DESCRIPTION

In Building C, Professional Touch Auto Body is the main business on site with a total of eight (8) employees. Business hours are Monday through Friday from 8:00AM to 5:00PM. Also in Building C, Hertz Car Rental has an existing small office. To provide more room for the auto body office, the applicant proposes to relocate Hertz to Building A, the former "Ferrell's Donuts" shop. Details about the car rental business are summarized below:

- Hertz office size: 350 square feet
- Hertz hours of operation: Monday through Friday from 7:30AM to 5:30PM
- Hertz number of employees: Approximately 2
- Maximum number of cars on site: Approximately 7
- Location of rental car washing: Local car wash businesses (rarely on site)

For the remaining 796 square feet in Building A, Professional Touch will use the area as storage for auto parts and tools. For more details, see the attached applicant's project description.

DISCUSSION

Staff has reviewed the application for compliance with the City's regulations and requirements and has prepared the following analysis for Planning Commission consideration:

1. **Use Permit for Car Rental Business:** Car rental businesses are conditional uses in the Service Commercial (C-S) zone and require use permit approval by the Planning Commission. The use permit process evaluates the proposed use for compatibility with surrounding uses so that potential negative impacts, such as noise and parking, may be avoided or reduced.

Unless specified, use permits run with the land versus a property owner or business operator. Additionally, once approved, use permits are valid in perpetuity, unless the use ceases for a one-year period.

The land uses surrounding the restaurant property are shown below:

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Direction	Zone	Use & Address
North	Service Commercial C-S	David Lyng Realty (Office) 5522 Scotts Valley Drive
South	Service Commercial C-S	Scotts Valley Feed (Retail) 5470 Scotts Valley Drive
East	Service Commercial C-S	Digital Dynamics, Inc. (Electronic Mfr) 5 Victor Square
West	Scotts Valley Drive then Service Commercial C-S	Office building 5437 Scotts Valley Drive

- a. **Parking:** For new conditional uses, parking is evaluated to for the property as a whole to determine if there is adequate parking for the existing use(s) plus the proposed use(s). On the subject property, there are a total of 24 parking spaces. Some of the spaces are a tandem design, located along the street frontage.

For automobile repair/related services/office and storage, the City's Municipal Code (SVMC) requires one parking space for every 250 and 1,000 square feet of gross floor area, respectively, unless approved otherwise by the Planning Commission. The SVMC does not address tandem parking or provide a parking formula for "car rental businesses". Therefore, the required amount of parking for Hertz will include the spaces required for it's office in Building A, plus spaces for any potential rental cars to be stored on-site, as determined by the Planning Commission.

The required amount of parking for existing plus proposed uses is 27 spaces, as summarized below. For more detail, see the project plans.

Building ID on Site Plan	Building Size (Sq. Ft.)	Uses	Required Parking (Spaces)
A	1,146	Proposed Hertz office and auto parts/tool storage for Prof. Touch	2.20
B	840	Existing open wash bay	3.36
C	3,800	Existing main building of office, auto body, and paint booth	15.20
D	840	Existing prep bay	3.36
E	460	Existing auto shop	1.84
F	540	Existing storage	0.54
Total	7,626	----	26.50 = 27.00

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Regarding the proposed car rental business, cars are supplied from storage lots located over-the-hill and at airports. Per the applicant, Hertz targets 99% utilization of cars being rented. Therefore, Hertz does not store vehicles at their branches, which are solely sales offices. Cars will be left at the subject site for immediate rentals and returns. For cars which are not rented, they are immediately relocated to other branches and/or the San Jose Airport. Hertz has maintenance/support staff at these other locations to shuttle cars to and from its sales branches.

To meet the parking needs of businesses, the City's Municipal Code (SVMC) allows for off-site parking when it is located within 300 feet of the subject use, and it cannot be provided on-site, subject to Planning Commission approval. Although the SVMC does not address tandem commercial parking, the Planning Commission has the authority to modify parking requirements with a use permit.

To provide additional parking, the applicant leases 15 spaces from Digital Dynamics, Inc., (DDI) an adjacent semiconductor business located behind the subject property at 5 Victor Square. Ten of these off-site spaces will be for Professional Touch, while five (5) spaces will be for Hertz. Hertz will also use the tandem spaces in front of Building A and other spaces behind Building A. Therefore, the combined total of on-site parking will be 42 spaces (27 spaces on-site and 15 spaces off-site).

Staff believes that the combined 42 parking spaces to be adequate. The auto body business has operated for many years on this location without complaints. The applicant knows the ebb and flow of existing auto body and car rental uses. The amount of rental cars parked on-site will be a function of spaces available at any given time. Staff surveys of the DDI parking lot have shown that there is adequate parking available to DDI employees.

Recommended Condition: If providing adequate customer parking becomes a problem, as determined by the City, the City could require the business to prepare a parking management plan, which describes how customer parking will be managed to reduce potential impacts to surrounding uses, for prior review and approval by the Community Development Director.

- b. **Interior Tenant Improvements:** New construction must comply with the California Building Code (CBC), which provides the minimum life-health-safety standards. The applicant has started tenant improvements.

Recommended Condition: By January 31, 2018, the applicant shall submit a building permit application and plans to complete the as-started tenant improvements in Building A, finish construction, and receive a final inspection clearance before the car rental business may occupy Building A.

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2. **Nonconforming Uses:** In 2003, the applicant became the business owner of the existing auto body shop. The business has operated in this location for many years, when auto body was a permitted use by right in the previous commercial zone. In 1989, the City rezoned commercial properties on Scotts Valley Drive to Service-Commercial (C-S). Notably, auto body repair, is no longer allowed in the C-S zone; it is a conditional use in the City's Light-Industrial (I-L) zone, where it may be allowed with use permit approval by the Planning Commission.

Because auto body use is often noisy, unsightly, and or has fumes (odors), the City's I-L zone is best suited for this type of use. Furthermore, the City's street improvements to the "Drive" were intended to attract uses conducted in buildings for its longest commercial corridor. Therefore, the existing auto body shop is nonconforming, in that, it was legal when it began but is no longer a permitted use in the subject zone.

SVMC Chapter 17.48 allows nonconforming uses to continue to operate, but requires use permit approval by the Planning Commission for expansion of such uses. There are other nonconforming uses that exist on Scotts Valley Drive (and in other zones within the City). Over the years on the subject property, micro-expansions appear to have occurred, such as replacing temporary tent-like structures for auto-prepping and -washing with more durable structures.

For this older nonconforming auto body business and others like it, there is not an easy way to track unpermitted expansions or changes made to nonconforming uses or existing buildings and structures. Therefore, baselines for nonconforming uses have not been established, which makes it difficult to prove if a nonconforming use has expanded.

Therefore, the subject use permit application will allow the existing car rental business and help it move forward and serve as a baseline for any potential future expansions of the nonconforming auto body shop.

Recommended Condition: To comply with Chapter 17.48 of the City's Municipal Code, the applicant shall apply for a use permit for any future expansions of the nonconforming auto body use and obtain use permit and design review approval prior to making any structural changes to buildings and structures.

PUBLIC NOTICE AND COMMENT

On September 29, 2017, public hearing notices were posted at City Hall, the Scotts Valley Branch Library, and the Scotts Valley Senior Center, consistent with State law, and were mailed to surrounding property owners located within 300 feet of the subject property, consistent with the City's Municipal Code.

Due to a previous project commitment, the applicant requested a different hearing date. Therefore, the Planning Commission did not consider the application on the scheduled October 12, 2017, meeting.

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On December 1, 2017, public hearing notices were posted at City Hall, the Scotts Valley Branch Library, and the Scotts Valley Senior Center, consistent with State law, and were mailed to surrounding property owners located within 300 feet of the subject property, consistent with the City's Municipal Code.

REQUIRED FINDINGS

Based upon staff's analysis and the recommended Conditions of Approval in Exhibit A, staff believes that the required findings can be made in the attached Resolution.

<u>ATTACHMENTS</u>	<u>PAGE</u>
Resolution No. ____ (Action Item for Use Permit U17-006)	7
Exhibit A - Conditions of Approval	9
1. Applicant's Project Description	10
2. Site Plan, and Floor Plans of Car Rental Office	* Attached

* *Please note that the project plans are only provided to the Planning Commission. However, the project plans, application, correspondence, and file are available for public review in the Planning Department at City Hall, Monday-Thursday 8:00AM-12:00PM, or by appointment by calling (831) 440-5630.*

RESOLUTION NO. _____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SCOTTS VALLEY APPROVING USE PERMIT FILE NO. U17-006 TO LOCATE AN EXISTING CAR RENTAL BUSINESS IN THE FORMER "FERRELL'S DONUT" SHOP BUILDING LOCATED ON THE SAME PROPERTY AS THE "PROFESSIONAL TOUCH AUTO BODY" BUSINESS IN THE SERVICE-COMMERCIAL (C-S) ZONE, AT 5500-5522 SCOTTS VALLEY DRIVE / APN 022-041-17.

WHEREAS, Karl Ryan of Professional Touch Auto Body, on behalf of Vincent & JoAnne Cimera Revocable Trust, property owner, has submitted a Use Permit application (File No. U17-006) to locate an existing car rental business in the former "Ferrell's Donut Shop" building located on the same property as the "Professional Touch Auto Body" business in the Service-Commercial (C-S) Zoning District at 5500-5520 Scotts Valley Drive / APN 022-042-17; and

WHEREAS, the project is determined to be categorically exempt from the California Environmental Quality Act (CEQA), Class 1, Existing Facilities, Section 15301; and

WHEREAS, the project was reviewed by the Planning Commission at a duly noticed public hearing in accordance with State Law and the City's Municipal Code at a Special Meeting held on Thursday, December 14, 2017; and,

NOW THEREFORE, the Planning Commission of the City of Scotts Valley hereby resolves as follows:

SECTION 1: The environmental determination represents the independent judgement of the City.

SECTION 2: The categorical exemption is hereby approved.

SECTION 3: The Planning Commission of the City of Scotts Valley does hereby specifically make the following findings, as discussed in the Planning Commission staff report dated December 14, 2017:

1. ***The location of the use is in accordance with the objectives of the zoning ordinance and the purposes of the zoning district in which the site is located.*** The proposed restaurant use meets the requirements of this finding in that the subject C-S zone is the appropriate zone for professional services. The City has approved use permits for other car rental businesses located in the same C-S zone.
2. ***The establishment, maintenance, or operation of use will not, under any circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or***

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working in the neighborhood of the proposed use or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city. The proposed use meets the requirements of this finding in that the applicant will provide 24 parking spaces on-site and 15 additional spaces located off-site at Digital Dynamics (DDI), an adjacent semiconductor business located behind the subject property at 5 Victor Square. Therefore, the combined 42 parking spaces should be adequate. The auto body business has operated for many years on this location without complaints. The applicant knows the ebb and flow of existing auto body and car rental uses. The amount of rental cars parked on-site will be a function of spaces available at any given time. Staff surveys of the DDI parking lot have shown that there is adequate parking available to DDI employees with the 15 leased parking spaces to the applicant.

SECTION 4: After careful consideration of the reconsideration, related materials, plans, maps, facts, exhibits, staff report, testimony, and any other evidence submitted in this matter, and incorporated herein by this reference, the Planning Commission of the City of Scotts Valley does hereby approve Use Permit File No. U17-006 to locate an existing car rental business in the former "Ferrell's Donut Shop" building located on the same property as the "Professional Touch Auto Body" business in the Service-Commercial (C-S) Zoning District at 5500-5520 Scotts Valley Drive / APN 022-042-17, subject to conditions set forth in Exhibit A, which are attached hereto and incorporated herein by this reference.

SECTION 5: Use Permit U17-006 shall lapse and shall become void two (2) years after the date of this resolution unless prior to the expiration date, the car rental office is occupied or an extension of this approval is granted by the Planning Commission.

THE ABOVE AND FOREGOING RESOLUTION NO. ____ for Use Permit File No. U17-006, was duly adopted and passed by the Planning Commission of the City of Scotts Valley at a regular meeting held on the 14th day of December, 2017, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Derek Timm
Planning Commission Chair

Taylor Bateman
Acting Community Development Director

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Exhibit A

Conditions of Approval (#1 - #8)

Standard and Legal

1. The Developer has agreed to and shall defend, indemnify and hold harmless the City of Scotts Valley, its officers, agents and employees from any claim, action or proceeding against the City or its officers, agents or employees to attach, set aside, void or annul any action of the City in connection with approvals under the California Environmental Quality Act or with respect to approval of the project, which action is brought within the time period(s) prescribed by law. The City shall promptly notify the developer of any such claim, action or proceeding and shall fully cooperate in defense.
2. After Planning Commission approval, the property owner shall sign the Conditions of Approval (Exhibit A) agreeing to the Conditions of Approval prior to issuance of any building permits, transfer of title, or within 30 days of approval of this application, whichever ever occurs first.
3. The property owner/applicant shall obtain any and all required building permits and pay all fees before starting interior tenant improvements.

Planning Department

4. All rental vehicles shall be stored by Building A, as specified on the site plan prepared by Gil Sanchez, dated July 20, 2017, on file in the Planning Department. All site improvements shall be in conformance with the plans stamped approved. Changes to the location of car storage shall require prior review and approval by the City.
5. By November 13, 2017, Mon-Thurs 8:00-11:30AM, the applicant shall submit to the Building Dept. a building permit application and plans for the as-built interior tenant improvements, which shall comply with the current CA Building Code.
6. All rental vehicles shall be washed at a professional car wash facility and not at the office site. Light cleaning such as window washing and vacuuming of vehicles shall be allowed in the area to the rear of Building A.
7. All new signs for the car rental business shall be approved by the City prior to installation.
8. To comply with Chapter 17.48 of the City's Municipal Code, the applicant shall apply for a use permit for any future expansions of the nonconforming auto body use and obtain use permit and design review approval prior to making any structural changes to buildings and structures.

Michelle (Cimera) Vejoy, Trustee of Property Trust

Date

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RECEIVED

JUL 20 2017

CITY OF SCOTTS VALLEY

USE PERMIT APPLICATION
5500 and 5520 Scotts Valley Dr.
Project Description
07/10/2017

This use permit is a request to allow Hertz to occupy the former donut shop at 5520 Scotts Valley Dr. and move from their existing location at 5500 Scotts Valley Dr. The indoor activities of Hertz Rental Car will be to execute rental contracts with the public. The outdoor activities of Hertz Rental car will be vacuuming of vehicles only. There will also be storage of business documents, keys, and equipment associated with cleaning of rental vehicles such as vacuums, towels, etc. inside the building.

Hours of operation of Hertz Rental car will be from 7:30am to 5:30pm Monday-Friday. Number of employees will be two (2). Number of gallons of water consumed by Hertz will be less than 1,000 gallons/month. No water discharges done by Hertz. Hertz does external car washing using the Shell Station car wash. Number of Parking spaces for Hertz use is nineteen (19) including leased spaces.

The operations of Professional Touch Auto Body will remain unaffected. Professional Touch will be conducting Body Repair and Painting of Vehicles. Hours of Professional Touch are 8am -5 pm Monday-Friday. Number of parking spaces for Professional Touch use is thirty (30) including leased spaces. Water discharges including effluent from car washing which is filtered and discharged into the city sewer line. Professional Touch currently consumes 11,000 gallons of water/month. The bulk of the water use is with car washing/detailing. There are eight (8) employees at Professional Touch Auto Body. Professional Touch uses low energy lights and low energy compressor technology and is a Certified Green Business.

U17-0006

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