

**SANTA CRUZ COUNTY PLANNING DEPARTMENT
ADMINISTRATIVE PRACTICE GUIDELINE**

Interpretation No.: MU-19 (Mixed-Use Development Standards, Density and Design Guidance)
Effective Date: 9-20-2019
Originally Issued: ***Replaces interpretations RES-MU-01, COMM-MU-SQ FT(01), COMM-MU-OFFICE (01), and MU-01***

OVERVIEW:

This guideline clarifies existing regulations and policies in the General Plan and Santa Cruz County Code (SCCC) and provides guidance for Design Review of proposed mixed-use development projects in the PA (Professional and Administrative Office), C-1 (Neighborhood Commercial), C-2 (Community Commercial) and other zoning districts where mixed use development is allowed. The following questions are addressed:

1. *What General Plan policies are applicable to mixed-use projects on sites designated/zoned for non-residential use?*
2. *What is the maximum residential density allowed in mixed-use projects?*
3. *What development standards are applicable to residential-commercial mixed-use projects, do the development standards differ for the commercial and residential components, and/or are they different if the project or its buildings are arranged as either vertical and/or horizontal mixed use?*
4. *Are single family and multi-family housing types and subdivisions allowed in mixed-use projects?*
5. *What guidance is applied to support applicable findings for approval of a proposed project (SCCC 18.10.230), and with Design Review considerations of SCCC 13.11?*

Applicable General Plan/LCP Policies and Zoning Ordinance Provisions

- General Plan Land Use Objective 2.12, Mixed-Use Development, and Policy 2.12.3
- General Plan Land Use Objectives 2.10 and 2.11, Urban High Density Residential Designation and Density Bonus
- General Plan Land Use Policies 2.10.1 and 2.11.1 for Urban High Density Residential and Density Bonus
- General Plan Community Design Policies related to Commercial Design (under Objective 8.5) and Building Design (under Objective 8.6), especially 8.6.2 and 8.6.3 regarding Residential Development Standards Ordinance and Story Limitation
- SCCC Section 13.10.323(F), Usable Open Space
- SCCC Section 13.10.332(B)(1), Commercial Uses Chart
- SCCC Section 13.10.333, Development standards for commercial districts
- SCCC Chapter 13.11, Site, Architectural and Landscape Design Review
- SCCC Chapter 17.12, Residential Density Bonus and Affordability Incentives
- SCCC Sections 18.10.180 – 18.10.185 (Planned Unit Developments)
- SCCC Section 18.10.230(A), Findings required for development permits

PRACTICE GUIDANCE:

1. General Plan policies applicable to mixed-use projects proposed on non-residential sites

The Land Use chapter of the General Plan describes, on page 2-25, the general purposes of the "five different levels" of commercial land use designations within the Plan. The last paragraph pertains to all levels: *"All commercial areas have the potential to conflict with adjacent residential areas. Noise and traffic impacts, incompatible design and insufficient buffering can cause problems that are difficult to mitigate. To reduce these problems, the General Plan and LCP Land Use Plan focuses on the development of commercial clusters, the need for greater attention to both building and site design, and the designation of appropriate land uses near commercial areas."*

The Land Use chapter contains an Objective 2.12 specifically addressing Mixed-Use Development, along with three Policies and a Program. Policy 2.12.1 pertains to "Office Uses in Commercial Designation"; Policy 2.12.2 pertains to "Public Facility uses in Commercial Designations"; and Policy 2.12.3 pertains to "Residential Uses in Commercial Designations", which are discussed below.

Objective 2.12 provides the overall purpose and intent of Mixed-Use Development: *"To provide a mix of different types of commercial uses or a mix of commercial and residential or public facility uses in appropriate locations where the combination of uses are complementary and contribute to establishing centers of community activity and commerce."*

Policy 2.12.1 provides no specific or alternate zoning development standards for office uses on commercial sites, but does contain some site design guidance: *"Encourage office uses to provide a lower intensity buffer between commercial uses and adjacent residential and public facility development."* Policy 2.12.2 also provides no specific or alternate zoning development standards for public/quasi-public facility uses on commercial sites, but does contain land use guidance regarding the type and nature of such public/quasi-public uses. Policy 2.12.3 allows for a mix of residential and commercial uses on commercial sites, and in fact requires inclusion of residential if an adopted village, town, community or specific plan require such. Again, this policy also does not contain specific or alternate zoning development standards, providing only LAND USE limitations: *"Limit residential uses to densities which allow good site design that meets the standards of Chapter 13.11 of the County Code and commercial utilization of the property, and which are secondary to the commercial use, not to exceed 50 percent (67% if project is 100% affordable) of the floor area of the development."*

Finally, the single Program contained within the Mixed-Use Development section of the General Plan Land Use chapter, is relevant to mixed residential-commercial land use: *"PROGRAM 2.12.a: Develop and implement specific design criteria for the inclusion of residential uses in commercial development to preserve the commercial focus and functionality of the project, and the residential character and quality living area. Include adequate buffering of potential disruption from commercial activity."*

Note that the above Program also does not contemplate creation of zoning development standards for residential-commercial mixed-use development, but DESIGN CRITERIA focused on functionality and quality of design, including buffering of residential uses from potential commercial disruption from the commercial uses within the project.

To implement these land use policies, the Commercial Uses Chart in County Code section 13.10.332(B)(2) states that residential units in the PA, C-1 and C-2 zone districts shall be *"developed according to the standards of urban high residential,"* and are limited to *"50 % (67% if the project is affordable) of the floor area of the entire development."* **This statement within the Use Chart is the primary aspect of the zoning code that is creating confusion and differing interpretations of what "developed according to the standards of urban high residential" means.**

It is important to emphasize that "Urban High Residential" is a **General Plan** residential land use designation and not a zone district. All "standards" of the General Plan relate to LAND USE, and the fact that the phrase is found in the Land Use Chart, is also relevant. The two "standards" related to land use that are found in the General Plan relate to 1) extent of residential use that can occur within a mixed residential-commercial project (50% or 67% if affordable project), and 2) the density of residential uses (up to the Urban High residential density, which the General Plan provides as up to 17.4 units per acre, which equates to 1 unit per 2500 square feet of site area). The General Plan distinguishes different types of residential land use (e.g. single family residential and multi-family residential by range of density) to be considered as different types of land use. Different residential land use designations are used for these different residential use types/densities.

It is also necessary to address policies within the Community Design chapter of the General Plan. There are no specific Objectives or Policies related to "Mixed-Use" within the Community Design chapter. The Commercial and Industrial Design Objective and Policies primarily relate to designating different types of commercial uses at appropriate locations within the community, and ensuring compatibility with adjacent uses through Site, Architectural and Landscape Design Review (as well as consistency with unique design guidelines for projects within coastal special communities or other plan areas).

The policies under Objective 8.6 Building Design are very general in nature, and primarily relate to site and structure design aspects. There are two policies that relate to Residential Development:

8.6.2 Residential Development Standards Ordinance: Require all residential structures to comply with the Residential Development Standards ordinance which includes maximum structural height and minimum structural setbacks. Unnecessary grading for the purpose of meeting height restrictions is prohibited.

8.6.3 Story Limitation: Residential structures shall be limited to two stories in urban areas and on parcels smaller than one acre in the rural areas except where explicitly stated in the Residential Site and Development Standards ordinance or Combining District site standards.

There are two Programs under Objective 8.6 Building Design, as follows:

a. Maintain the following or similar ordinances to implement the goal, objectives and policies of this chapter: Residential Development Standards, Large Dwelling Review, and Site, Architectural and Landscape Design Review.

b. Maintain criteria for the control of ridgetop development in order to minimize adverse impacts on scenic views.

It is notable that Program 8.6.a mentions only the Residential Development Standards portion of the zoning ordinance, and not the Commercial or other development standards provisions. Program 8.6.a also refers to Large Dwelling Review and to the Site, Architectural and Landscape Design Review provisions of the County Code, which is Chapter 13.11 Design Review, to implement the "Building Design" Objective and Policies of the General Plan Community Design chapter. The "story limitation" policy was amended in 2007 in order to accommodate residential development (i.e. not mixed use) under the new R-combining district, which provided for three-story residential development within urban areas. In sum, the residential building design policies are not considered to impose stricter limitations on commercial sites that accommodate residential-commercial mixed-use projects. Any requirements or limitations on siting or design of such mixed-use projects are those of the Commercial Development Standards portion of the zoning ordinance, and as otherwise achieved through Design Review based upon the specifics of the proposal, within the context of project location and adjacent uses, as may be necessary to be able to make the required findings for approval.

2. Maximum residential density allowed in mixed-use projects in PA, C-1 and C-2 zone districts

In accordance with the Commercial Uses Chart (SCCC 13.10.332(B)(1) and with General Plan Objective 2.10, "Urban High Density Residential Designation" the maximum residential density in a mixed-use project is 17.4 units per acre, which is equivalent to a minimum of 2,500 sq. ft. net developable land area per dwelling unit. The net square footage of the entire site shall be utilized to calculate the number of units allowed on a site. As an example, a mixed-use project on a C-1 parcel with 12,500 sq. ft. of net developable area would be allowed a maximum of 5 residential units in addition to the allowed commercial use.

Pursuant to SCCC Chapter 17.12, Residential Density Bonus and Affordability Incentives, mixed-use projects that provide an increased percentage of affordable units above that required in SCCC Chapter 17.10, that provide senior housing, or that provide other benefits as specified in Chapter 17.12, are allowed an increase in residential density above that otherwise allowed by the Urban High Density Land Use Designation. For projects that qualify for a density bonus, the gross parcel area is used to calculate density. Projects meeting the applicable criteria provided in SCCC 17.12.060 and 17.12.065 may qualify for a density bonus or an enhanced density bonus of up to 50% beyond that allowed by the Urban High Density land use designation, or up to a 75% density bonus for projects where 100% of the units meet the affordability requirements.

Density Bonus provisions also allow applicants to request waivers and/or concessions, and these considerations may also affect the nature of a mixed-use project. It is considered likely that most mixed-use projects processed as Density Bonus projects will request to exceed the standard 50% limitation for residential square footage within a project. Moreover, new State laws provide streamlined processing for mixed-use projects that meet a variety of specific criteria. One law provides a CEQA exemption if, among other things, the proposed project is at least 67% residential square footage. For these reasons, it can be expected that Mixed-Use Density Bonus projects will become more common, and that residential square footage may be requested at over 67%. Based on changes in the economy and retailing, there is less demand for goods obtained from "brick and mortar" commercial structures. Most new commercial uses are established within existing vacant spaces or redeveloped spaces, and it can be very difficult to obtain financing for commercial projects, including 50 / 50 commercial/residential projects.

3. What development standards are applicable to residential-commercial mixed use projects, and do the development standards differ for the commercial and residential components, and/or are they different if the project or its buildings are arranged as either vertical and/or horizontal mixed use?

The commercial development standards of the zoning ordinance apply to mixed-use developments on commercially designated/zoned sites, including special standards and conditions. All buildings within a mixed-use project are treated as "commercial" buildings in considering applicable minimum setbacks, maximum heights and so forth. The standards applied are the same whether the project includes vertical and/or horizontal mixed use. In that the Commercial Development Standards do not include standards for maximum Lot Coverage or Floor Area Ratio (FAR), there are no hard standards for such, and Design Review is the mechanism for ensuring compatibility and appropriate scale and design. Note that the increased side and rear setbacks (30 feet) for buildings located adjacent to residential or agricultural districts are also applicable.

It should be noted that mixed use projects may be proposed as Planned Unit Developments, and via the PUD permit process may propose site development standards that are considered appropriate for the

specific development site. Approval of PUDs requires that additional findings be made, including but not limited to a finding of neighborhood/community benefit.

Development standards for mixed-use projects in the PA, C-1 and C-2 zone districts are provided in SCCC 13.10.333, Development standards for commercial districts, and in the General Plan. Parking requirements are provided in SCCC 13.10.551 – 13.10.578. Shared parking pursuant to SCCC 13.10.553 (B) is encouraged in mixed-use projects.

The following table summarizes the development standards for commercial and residential development in mixed-use projects in the PA, C-1 and C-2 zone districts. Note that standards for lot coverage and floor area ratio do not apply in commercial zone districts, and would not apply to the residential component of mixed-use developments. Note that the Code provides for certain exceptions to the below development standards that do apply, pursuant to SCCC 13.10.333. Additionally, pursuant to SCCC Chapter 17.12 Density Bonus, modifications to site development standards may be available as concessions or incentives to mixed-use projects which qualify for a density bonus.

| SUMMARY OF EXISTING DEVELOPMENT STANDARDS FOR MIXED-USE PROJECTS In the Non-Residential PA, C-1 and C-2 Zone Districts | | | | | | |
|---|--|-----|----------------------------------|--------------------------------------|---|---|
| Zone District | Front Yard | | Side Yard | Rear Yard | Maximum % residential square footage ¹ | Maximum Building Height/ stories |
| PA | Commercial, residential or mixed-use building | 10' | Interior: 0' Street: 10' | 10' | 50%; 67% if 100% affordable housing; May be exceeded with Density Bonus | 35'/ 3 stories Code section 13.10.510(D)(2) allows increase of up to 5' with public hearing and special findings |
| | Commercial, residential or mixed-use building, abutting Residential or Agricultural District | 10' | Same as abutting R or A District | Same as the abutting R or A District | | |
| C-1 ² and C-2 | Commercial, residential or mixed-use building | 10' | 0' | 0' | 50%; 67% if 100% affordable housing; May be exceeded with Density Bonus | 35'/ 3 stories Code section 13.10.510(D)(2) allows increase of up to 5' with public hearing and special findings |
| | Commercial, residential or mixed-use building, abutting R or A District | 10' | 30' | 30' | | |
| | Commercial, residential or mixed-use building across street or alley from R or A District | 10' | 10' | 10' | | |

¹ To calculate the percentage of residential and commercial floor area in a mixed-use building, first determine the gross building square footage by subtracting unenclosed areas such as decks, atriums or parking that is enclosed within the building footprint from the total square footage of the building. Then deduct shared and common areas that serve both uses, such as a shared stairway, elevator, or mechanical room, to determine the net square footage. From this net square footage, calculate the percentage of commercial and residential square footage. Note that covered parking spaces are not included as part of the calculation of residential/non-residential area, and covered parking is not considered a "parking lot" subject to parking lot landscaping requirements.

² In C-1, office uses may occupy up to 50% of the entire building square footage of a mixed-use project – not just 50% of the 50% (or 25%) of the required non-residential square footage.

4. Single family and multi-family dwellings and the creation of new lots

As provided in the Commercial Uses Chart (SCCC Section 13.10.323[B]) both detached single-family units and attached multi-family units are allowed in mixed-use projects on commercial sites. However, a project that includes the creation of new lots for “ownership” detached single family dwellings is subject to Policy 2.10.2 that establishes a minimum lot size of 3,500 net developable area per unit for creation of new lots (which also affects the density calculation, but which could also be modified for a density bonus project).

The creation of new parcels for condominiums, townhouses, or single-family dwellings may be considered as part of a mixed-use project, subject to SCCC Chapter 14.01 (Subdivision Regulations), and subject to the minimum parcel size requirements and other requirements of the zone district. Exceptions to the minimum parcel size may be considered as part of a PUD application as provided in SCCC 18.10.180 through 18.10.185. The creation of new lots as part of a mixed-use project on a site outside the USL that is served by an individual sewage disposal system may not be feasible, since pursuant to SCCC Chapter 7.38, Sewage Disposal, Section 7.38.045(E), the minimum parcel size for a newly created parcel that is served by an individual sewage treatment system is one acre.

5. Guidance in applying SCCC Chapter 13.11 Design Review and making required findings for approval of mixed-use projects

SCCC Chapter 13.11.072 provides objectives for site, architectural and landscape design, requiring that new development “*shall be sited, designed and landscaped so as to be visually compatible and integrated with the character of the surrounding areas.*” Required findings for approval of development projects provided in SCCC 18.10.230 also address compatibility, requiring that “*the proposed project will complement and harmonize with the existing and proposed land uses in the vicinity and will be compatible with the physical design aspects, land use intensities, and dwelling unit densities of the neighborhood.*”

In addition to compatibility, findings for approval also include “*that the proposed location of the project and the conditions under which it would be operated or maintained will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood.*”

Transitions between sites with different zoning

SCCC Chapter 13.11.072 (A)(1)(d) states that “transitions shall be provided between existing and new projects of different zoning, where appropriate.” In the PA, C-1 and C-2 zone districts, the Commercial Site and Structural Dimensions Chart requires increased side and rear setbacks of 30 feet for commercial or mixed-use buildings when the side or rear property line abuts a residentially or agriculturally zoned parcel.

In a mixed-use project on a commercial site adjacent to a residential site, it may be appropriate to step back the third story of a building an additional distance from the required setback to provide an appropriate transition to adjacent uses, especially if reductions of the 30-foot setbacks are requested through the Density Bonus and/or PUD processes. For example, a mixed-use project on a C-1 site has a required front setback of 10 feet. If this parcel is adjacent to an R-1 (Residential Single Family) parcel with a 20-foot front yard setback, stepping back the third story of a mixed-use building on the commercial site an additional 10 feet from the required 10 foot setback could be appropriate for compatibility with the adjacent residential use and neighborhood context.

Landscaping pursuant to SCCC section 13.11.075 is also required for mixed-use projects, helping to ensure compatibility with adjacent land uses. Landscaped setback buffers (generally 5' minimum; increasing for large buildings) are required at the property line(s) of a commercial or mixed-use project if adjacent to a residentially-zoned parcel.

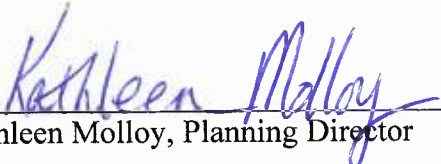
Open space in mixed-use projects

Although the development standards for commercial districts provided in SCCC 13.10.333 do not provide a standard for open space in mixed-use projects, usable open space can be important to the welfare and quality of life for residents in mixed-use developments. It is appropriate to use as guidance (although not as a required minimum) the open space standards that apply to properties in the Multifamily Residential (RM) Zone District pursuant to SCCC 13.10.323(F). The level that applies to RM projects is calculated at a rate of 300 sf/unit of group/common open space, 200 sf/unit of private open space, or a combination of public and private open space. The minimum dimension for open space on RM sites is 15 feet for group/common open space, 10 feet for private open space at ground level, and 6 feet for private open space above ground.

Although the rate required for RM zoned sites may be too high for mixed-use projects that are developed more intensively than multi-family residential projects (ie. Mixed Use residential-commercial projects not only typically include the same density/number of residential units as an RM site, but then also include the commercial square footage), the minimum dimensions required for private and group open space on RM sites provide useful guidance for usable open space on mixed-use sites. Usable open space meeting the minimum dimensions required for RM sites should be considered for mixed-use projects, either as private open space, public open space that can be accessed by the residents as well as the commercial patrons, or as combination of private and shared public open space. Proximity to parks or other recreational facilities can also be considered in determining the appropriate amount of open space to provide on a mixed-use site.

Other Design Guidance for mixed-use projects

Chapter 13.11 Design Review addresses factors evaluated for proposed projects. Other design guidance applicable to mixed use projects is contained General Plan/LCP and other Plans, including but not limited to Coastal Special Communities, Area and Specific Plan, PUDs, and the Pleasure Point Commercial and Mixed Use Design Guidelines. Countywide Design Guidelines that exist in Draft form, even though not formally adopted by the Board of Supervisors, can be useful in understanding the principles of good site and building design so that design review feedback to applicants can be useful.


Kathleen Molloy, Planning Director


Date