

RESOLUTION NO. NS-30,016

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ 1) ORDERING AN ELECTION, 2) REQUESTING COUNTY ELECTIONS CONDUCT THE ELECTION, 3) REQUESTING CONSOLIDATION WITH THE GENERAL ELECTION ON NOVEMBER 8, 2022 FOR THE PURPOSE OF ADDING TWO MEASURES, AND 4) DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURES

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may, by resolution, request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city shall reimburse the county in full for the services performed upon presentation of a bill to the city; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city, or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable.

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WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state, and other political subdivision elections have been called to be held on November 8, 2022.

NOW THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Santa Cruz hereby orders an election to be called and consolidated with any and all elections also called to be held on November 8, 2022 insofar as said elections are to be held in the same territory or in territory that is in part the same and requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Sections 10401, 10403, and 10418.

BE IT FURTHER RESOLVED AND ORDERED that the City of Santa Cruz hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department shall conduct the election for the attached measures to be voted on at the November 8, 2022 election.

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department is requested to print the attached measure text exactly as filed or indicated on the filed document in the County Voter Information Guide for the November 8, 2022 election. Cost of printing and distribution of the measure text will be paid for by the City.

Pursuant to its right, title, and authority under Section 3 of Article XI of the California Constitution and Sections 1415(a)(2) and 9255(b)(1) of the California Elections Code, the City Council hereby calls an election to be held in the City of Santa Cruz on Tuesday, November 8, 2022 for the purpose of submitting to the voters the following measures (and such other questions as the City Council may hereafter order to be presented to the voters):

Measure “\_\_\_” Empty Home Tax (see Exhibit A for full text)

Shall the City of Santa Cruz establish an “Empty Home Tax” on residences that are in use less than 120 days per calendar year in the amount of \$6,000 per single-family residence, \$6,000 per parcel with six or fewer units, and \$3,000 per year on condominiums and residential units on parcels with seven or more units, with revenue allocated toward affordable housing projects, 15% for administration, and 5% for homeless sanitation services, with administration overseen by a community oversight committee?	Yes	
	No	

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Measure “\_\_\_” Our Downtown, Our Future – General Plan and Downtown Plan Amendment (See Exhibit B for full text)

Shall the City of Santa Cruz General Plan and Downtown Plan be amended to: (1) prohibit construction of the proposed Downtown Library and Affordable Housing Project and relocation of the Downtown Farmers Market; (2) require development of affordable housing on certain Downtown City-owned surface parking lots; and (3) designate the use of surplus parking district revenue for Downtown affordable housing development projects, alternative transportation programs for downtown workers and other non-parking related expenditures?	Yes	
	No	

BE IT FURTHER RESOLVED, arguments for or against either measure will be accepted after the deadline set by the City Clerk.

BE IT FURTHER RESOLVED, the City Council hereby directs the City Clerk to transmit a copy of the measures to the City Attorney. The City Attorney shall prepare an impartial analysis of the measures showing the effect of the measures on the existing law and the operation of the measures. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

BE IT FURTHER RESOLVED, if any section, subsection, sentence, clause, or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

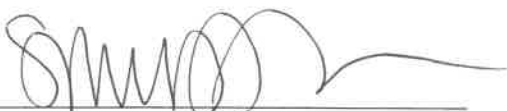
PASSED AND ADOPTED this 28<sup>th</sup> day of June, 2022 by the following vote:

AYES: Councilmembers Kalantari-Johnson, Cummings, Brown, Meyers; Vice Mayor Watkins; Mayor Brunner.

NOES: None.

ABSENT: Councilmember Golder.

DISQUALIFIED: None.

APPROVED:   
 Sonja Brunner, Mayor

ATTEST:   
 Bonnie Bush, City Clerk Administrator

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AN INITIATIVE MEASURE PROPOSING AN ORDINANCE ADDING CHAPTER 3.38 TO THE SANTA CRUZ MUNICIPAL CODE TO ESTABLISH AN EMPTY HOMES TAX, A PARCEL TAX ON VACANT RESIDENTIAL PROPERTY IN THE CITY OF SANTA CRUZ

BE IT ORDAINED by the people of the City of Santa Cruz:

**Section 1. Title**

This Ordinance may be referred to as the “City of Santa Cruz Empty Home Tax.”

**Section 2. Purpose**

The taxes imposed under this Ordinance are solely for the purpose of raising revenue necessary to support and fund the creation of affordable housing, and related programs, described below. Because the proceeds of the parcel tax will be deposited into a special fund restricted for the services and programs specified in this Ordinance, the tax is a special tax.

**Section 3. Code amendment**

A new Chapter is hereby added to the City of Santa Cruz Municipal Code to read as follows:

**Chapter 3.38 Empty Home Tax**

**Section 3.38.010 Definitions**

**Section 3.38.020 Determination of vacancy**

**Section 3.38.030 Audit authority and procedures**

**Section 3.38.040 Imposition of parcel tax on vacant property**

**Section 3.38.050 Empty Home Tax Fund**

**Section 3.38.060 Use of Empty Home Tax Ordinance revenue**

**Section 3.38.070 Empty Home Tax Oversight Committee**

**Section 3.38.080 Accountability**

**Section 3.38.090 False declarations**

**Section 3.38.100 Enforcement and penalties**

**Section 3.38.110 Appeal process**

**Section 3.38.120 Administrative regulations and delegation**

**Section 3.38.010. Definitions.**

“Affordable housing” means housing intended to operate as affordable to low, very low, and extremely low incomes as defined in Title 25 of the California Code of Regulations, Sections 6922 (Affordable Rent), 6924 (Affordable Housing Purchase) and 6932 (Income Limits) or their successor provisions by the California Department of Housing and Community Development, in perpetuity, and not subject to a single contract period, regardless of renewability.

"Calendar year" refers to the twelve-month period from January 1 through December 31 pursuant to which the City will determine whether any parcel or unit is subject to the tax.

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"City" means the City of Santa Cruz.

"Committee" means the Empty Home Tax Oversight Committee which reviews the annual independent fiscal audits and is responsible to issue an annual report on its findings regarding the special tax proceeds being spent for their authorized purposes.

"Condominium" as defined in Section 4125 or 6542 of the Civil Code of the State of California.

"County" means Santa Cruz County.

"CPI" means the San Francisco - Oakland - Hayward, CA Consumer Price Index for All Urban Consumers (CPI-U) 12-Month Percent Changes, All Items Index, Not Seasonally Adjusted, for October of the subject year.

"Financial expertise" means understanding generally accepted accounting principles and financial statements, experience preparing, auditing, analyzing, or evaluating financial statements, and internal controls and procedures for financial reporting.

"In use" means physical occupancy of a residential parcel, dwelling unit, house, apartment, condominium, or townhome by a lawful inhabitant.

"LGBTQIA2S+" means Lesbian, Gay, Bisexual, Transgender, Queer and/or Questioning, Intersex, Asexual, Two-Spirit, and the countless affirmative ways in which people choose to self-identify.

"Long-term care facility" means any licensed facility as defined in California Health and Safety Code Chapter 2.4 Section 1418.

"Mixed-use" means a parcel where residential components must be the predominant use of the property with at least fifty (50) percent of the buildings' square footage or lot area to be allocated to residential uses and has at least one (1) residential unit and at least one (1) non-residential use.

"Mobilehome park" shall mean an area of land in the city where five (5) or more mobilehome spaces are rented, or held out for rent, or made available for use, to accommodate mobilehomes used for human habitation.

"Multifamily residential parcel" means a parcel that is improved with more than one (1) residential unit.

"Nonresidential parcel" means a parcel that is improved with uses other than residential units.

"Owner" means the owner or owners of the real property located within the City of Santa Cruz as of the last day of December of the calendar year pursuant to which a property is deemed to have been vacant or not vacant for the purposes of applying any exemptions defined in Section 3.38.040(G). The owner shall not be exempt from the tax unless each person or entity that owns a portion of the real property can separately demonstrate that they are entitled to an exemption.

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"Parcel" shall mean a unit of real property in the City of Santa Cruz as shown on the most current official assessment roll of the Santa Cruz County Assessor.

"Public parcel" means a parcel that is publicly owned and that is normally exempt from the levy of general ad valorem property taxes under California law, including but not limited to public streets, schools, parks, public drainage ways, public landscaping, wetlands, greenbelts, and public open space.

"Residential parcel" means a parcel that is improved with one (1) or more residential units.

"Residential unit" means a building or structure, or portion thereof, designed for or occupied exclusively by one (1) household, including unrelated persons who live together and maintain a common household.

"Single-Family residential parcel" means a parcel which is improved with only one (1) residential unit.

"Tax" or "City of Santa Cruz Empty Home Tax" means the special tax authorized by this Chapter.

"Taxable property" means a parcel of real property excluding public, undeveloped, non-residential and mobilehome parks, within the City.

"Townhome" means a single-family dwelling unit constructed in a group of three (3) or more attached units in which each unit extends from the foundation to roof and with a yard or public way on not less than two (2) sides.

"Undeveloped parcel" means a parcel, regardless of zoning or other land use designation, upon which no permanent improvements are constructed or placed.

"Vacant" means in use for less than one hundred and twenty (120) days within a calendar year.

**Section 3.38.020. Determination of vacancy.**

A. For the purposes of this Chapter, a taxable property, shall be deemed "vacant" and subject to the tax imposed by Section 3.38.040 below if the parcel is any of the following:

1. A single-family residential parcel that is in use less than one hundred and twenty (120) days during a calendar year.
2. A condominium or townhome unit under separate ownership that is in use less than one hundred and twenty (120) days during a calendar year.
3. A multifamily residential parcel, including mixed-use, with six (6) Residential Units or less where all units are in use less than one hundred and twenty (120) days during a calendar year, assessed on a per parcel basis.

4. A multifamily residential parcel, including mixed-use, with seven (7) or more Residential Units where any unit is in use less than one hundred and twenty (120) days during a calendar year, assessed on a per unit basis.
- B. The vacancy status of a taxable property shall be determined by an annual declaration of the owner, their agent, or a representative authorized to declare on their behalf.
1. The City shall establish a process for annual declaration of vacancy status for a taxable property, that shall include the following components.
    - a. A website or online portal which explains the Tax and allows declaration of vacancy status.
    - b. A paper declaration form and instructions to be mailed to owners no later than December 31 of the calendar year for which the Tax is being imposed using the name and address found on the Santa Cruz County Secured Tax Roll.
    - c. A method to claim exemption from the Tax pursuant to Section 3.38.040(G) of this Chapter. Any taxable property deemed exempt from the Tax shall not be required to submit an annual declaration of vacancy status.
  2. The owner or their agent or representative shall declare vacancy status no later than April 15 of the year following the calendar year for which the Tax is being imposed.

**Section 3.38.030. Audit authority and procedures**

- A. The City shall establish a process to annually audit taxable properties declared “in use” as defined in this Chapter to verify the declaration of vacancy status. The process shall include the following components:
1. A registered owner may be required to provide information at any time and for a period of up to three (3) years after the applicable calendar year respecting:
    - a. the property;
    - b. the identity and address of the registered owner;
    - c. the status of the property; and
    - d. the nature of the occupancy of the property.
  2. If audited, the owner or their agent or representative shall be required to submit documentation or evidence as required by separate ordinance or regulation adopted by the City Council by resolution in support of their vacancy status declaration.

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B. Not more than once annually, the City may examine and perform an audit to review the requested documentation or evidence submitted by an owner to substantiate their vacancy declaration status to ensure compliance with Section 3.38.020. Audits may be performed:

- 1. any time the City believes an owner is making a false declaration of vacancy status;
- 2. when there is a pending ownership change; and
- 3. at appropriate intervals as determined by the City.

**Section 3.38.040. Imposition of parcel tax on vacant property.**

A. A special tax in the amounts set forth below is hereby imposed on every taxable property within the City determined pursuant to Section 3.38.020, except as exempted, as described below in Section 3.38.040(G).

B. The Tax constitutes a debt owed by the owner of each taxable property to the City.

C. The County shall levy and collect the Tax on each taxable property in the City for which the owner receives a separate ad valorem property tax bill, at the same time and manner, and subject to the same penalties and procedures as ad valorem property taxes collected by the County except as otherwise set forth in this Ordinance.

D. The Tax shall be imposed on the ad valorem property tax bill for the fiscal year that begins July 1 following the end of the calendar year in which the taxable property was vacant. The special tax shall first be imposed no sooner than the ad valorem property tax bill for fiscal year 2024-2025 for taxable properties that were vacant in the previous calendar year.

E. Tax Rates.

- 1. The tax rates for each taxable property type shall be as set forth in the table below. The City shall be responsible for assigning a tax rate for each parcel. The City shall not lower the rates or adopt further categories of exemption without voter approval.

<u>Taxable Property Type</u>	<u>Annual Tax Rate</u>
Residential parcel with six (6) or fewer units	\$6,000.00 per vacant parcel
Condominium or townhome under separate ownership	\$3,000.00 per vacant residential unit
Residential unit on parcel with seven (7) or more units	\$3,000.00 per vacant residential unit

- 2. For residential parcels with one to six (1-6) units, the parcel is not vacant if any unit on the parcel is “in use” as defined in this Chapter. A condominium or townhome under separate ownership is treated as a separate unit, and if not “in



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use”, is subject to the tax regardless of the status of any other unit on the same parcel, lot or that is part of the same development. For residential parcels with seven (7) or more units, the vacancy status of each unit is assessed individually for the purposes of this Chapter, and if it is not “in use”, it is subject to the tax regardless of the status of any other unit on the same parcel or that is part of the same development.

3. On January 1 of the year after the tax in this Chapter is enacted, and every January 1 thereafter, the City shall adjust the tax rates in Section 3.38.040(E) to account for the rate of inflation by the lesser of the CPI for the prior year or two (2) percent, except that in the event of a negative CPI no adjustment shall be made, rounded to the nearest one dollar (\$1). The incremental change shall be added to the associated tax rate for that year.

F. Real property otherwise wholly exempt from ad valorem tax by state law shall also be exempted from the tax imposed by this Chapter.

G. Claimed Exemptions.

1. A taxable property owner may claim an exemption from the tax imposed by this Chapter in any of the circumstances specified in this Section. The following exemptions shall be granted when such exemption has been properly claimed by the taxable property owner and when the grounds for such exemption have been fully verified:
  - a. An owner, for any period of time during the relevant calendar year, experienced a significant medical event that kept the owner from engaging in their normal work or business activities for at least thirty (30) days.
  - b. A taxable property that is vacant due to a demonstrable hardship that is unrelated to the owner's personal finances. The following circumstances constitute a "demonstrable hardship":
    - 1) The subject taxable property was, for at least one hundred and eighty (180) days during the relevant calendar year, subject to a lis pendens, or similar court order, giving notice of a conflict regarding title or ownership interests, pursuant to any pending lawsuit, probate action, condemnation action or other action or proceeding filed with any court.
    - 2) The owner, for at least sixty (60) days during the relevant calendar year, was serving in the military and deployed in another state or overseas.
    - 3) The then owner died at some time during the relevant calendar year.

- 4) The owner inherited the taxable property during the relevant calendar year or in the immediately preceding calendar year.
- c. The subject taxable property is under active construction. To qualify for this exemption, an owner must keep the building permit or permits active. The "active construction" exemption applies if the owner held, for at least fifty (50) days during the relevant calendar year, a valid and active building permit for the taxable property.
- d. An owner of taxable property for which an active building permit application is being processed by the City. This "building permit application" exemption applies if during or previous to the relevant calendar year, the owner submitted a building permit application to the City and the total number of days during which the application was pending plus any number of days after the application was approved but before the end of the relevant calendar year was at least fifty (50) days.
- e. An owner of a taxable property which is included in a substantially complete application for planning approvals that has not yet received approval. An owner of a taxable property for which a project with development entitlements has been approved but needing time for completion may apply for and receive a one-time three-year exemption. The "substantially complete application for planning approvals" exemption applies if the owner held a notice from the City stating that an application for planning approvals with respect to the subject taxable property was complete and such application remained pending for at least fifty (50) days during the relevant calendar year. After an application for planning approvals is approved for the subject taxable property, the owner may apply for an administrative one-time three-year exemption, exempting the subject taxable property from being deemed vacant for the calendar year during which the application for planning approvals was approved and for the following two calendar years. Exemption expires upon issuance of certificate of occupancy.
- f. An owner of taxable property who demonstrates to the satisfaction of the City Planning Department that the taxable property is not habitable for at least one hundred and twenty (120) days during the calendar year, due to being affected by natural disaster or environmental hazard.
- g. An owner placed in a long-term care facility or that has moved permanently into a family member or friend's home to receive care will receive a one-time three-year exemption from the tax which includes the calendar year the owner was placed in long-term-care outside of the taxable property.
- h. Taxable property registered under the Santa Cruz Short Term Rental Ordinance.

- i. One hundred (100) percent of the legal interest in the taxable property is transferred within the relevant calendar year.
2. Pursuant to Section 3.38.020(B) of this Chapter, the City shall establish the procedures and guidelines for owners to apply for, and grant, the exemptions identified in this Section as part of the declaration process. owners who claim an exemption may be required to submit information annually to substantiate their continuing qualification for an exemption.
3. The City Council may, by ordinance, provide supplemental definitions for the exemptions in this Section and for the administration of the exemptions.

**Section 3.38.050. Empty Home Tax Fund.**

The "Empty Home Tax Fund" ("Fund") is hereby created as a special revenue fund. Proceeds from the Santa Cruz Empty Home Tax, including penalties and interest earned on such proceeds, shall be deposited into the Fund and used only for the purposes listed in Section 3.38.060.

**Section 3.38.060. Use of Empty Home Tax Ordinance revenue.**

Monies deposited in the Empty Home Tax Fund shall be used solely for those purposes identified in this Section.

- A. Monies in the Fund may be used to finance the construction of affordable housing as defined in this Chapter.
- B. Monies in the Fund may be used to purchase existing housing units for the purposes of maintaining or converting them to affordable housing as defined in this Chapter.
- C. A residential unit is considered affordable housing if it falls under any of the following restrictions:
  1. public housing owned by the City, County, State, or Federal government, subject to internal legal restrictions on affordability consistent with affordable housing as defined in the Chapter;
  2. privately owned housing with a transferrable affordability restriction applied on the deed consistent with affordable housing as defined in the Chapter;
  3. housing under an easement contract owned by any government agency stipulating its usability only for affordable housing as defined in this Chapter; or
  4. housing owned by a nonprofit affordable housing provider with internal bylaws that do not include a fixed contract term of affordability, and with a reasonable expectation of long-term affordability protections consistent with affordable housing as defined in the Chapter.

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- D. Up to five (5) percent of the revenue deposited into the Fund in any single year may be used to provide sanitation, bathroom, and hygiene services for the unhoused community in the City.
- E. Monies in the Fund may be used to pay the costs of an independent third-party audit of the use of monies in the Fund.
- F. Monies in the Fund may be used to pay for the costs of administering the Tax, regardless of how or by what entity those administrative services are provided. No more than fifteen (15) percent of the revenue deposited into the Fund in any single year may be used to pay for such administrative costs, except that revenue used to pay for the costs of the Empty Home Tax Fund Oversight Committee established by Section 3.38.070 shall not count toward the fifteen (15) percent. Notwithstanding the foregoing, the City shall be reimbursed for its administrative costs of establishing the program for collecting the tax, whose costs shall be confirmed by a third-party auditor. Administrative costs include, but are not limited to:
  - 1. the costs to the City associated with monitoring and enforcing compliance with this Chapter;
  - 2. the costs to the City associated with developing ordinances and regulations to implement this Chapter;
  - 3. the costs to the City associated with the operations of the Empty Home Tax Fund Oversight Committee established by Section 3.38.070; and
  - 4. the costs to the City associated with collecting the tax.

**Section 3.38.070. Empty Home Tax Oversight Committee.**

- A. The Empty Home Tax Oversight Committee is hereby established for community oversight of the Tax established by this Chapter, and to make recommendations to the City to improve zoning and land use designations to better support the creation of affordable housing as defined by this Chapter.
- B. The Committee shall meet at least one (1) time per calendar year and more frequently as needed. The first meeting of the Committee each year shall be held within three (3) months of the release of the annual audit. A majority of Committee members may request in writing that the City Council approve the Committee meeting more than once per year.
- C. The Committee shall review relevant financial and operational reports, including enforcement and compliance data, related to the expenditures. The Committee shall publish an annual report that shall be posted on a dedicated page of the City of Santa Cruz website regarding how and to what extent the City has implemented this Chapter. Additionally, the Committee may obtain or prepare and publish reports regarding the following:

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1. recommendations from the Committee for consideration by the City Council on how to prioritize the allocation of funds in accordance with the requirements of this Chapter, including for supporting the provision of affordable housing to households qualifying at least low-income households (those at fifty (50) percent Average Median Income or below); and
  2. information, if available, concerning the impacts of programs funded by the Empty Home Tax in the City.
- D. The Committee shall appoint a member as liaison to communicate with the City Manager and City.
- E. The Committee shall consist of nine (9) members who are all residents of the City. No fewer than three (3) members must be renters. No fewer than two (2) members must be in the low, very low or extremely low income category but do not have to be renters. No fewer than two (2) representatives must have financial expertise. No fewer than one (1) member shall be a currently enrolled student at the Santa Cruz campus of the University of California at the time of appointment. No fewer than one (1) member must be a city worker who is an active member of a union bargaining unit during their tenure on the Committee. Members may fulfill more than one (1) of these criteria for the purposes of meeting these requirements. The City will hold an open application period for all seats similar to the process for other Advisory Bodies. Members of the Committee shall be appointed by the City pursuant to Section 2.40 of the City of Santa Cruz Municipal Code. Members of the Committee shall receive no salary for serving.
- F. Members shall serve four (4) year terms, as provided for in Santa Cruz Municipal Code Section 2.40.011(c). No member shall serve more than two (2) consecutive four (4) year terms. Of the initial members of the Committee, three (3) appointments shall be for one-year terms, three (3) appointments shall serve for two-year terms, and three (3) appointments shall be for three-year terms. Thereafter, all terms shall be for four (4) years. All terms of members shall begin as of the date that nine (9) members have been appointed, which is when the Committee may begin its work. All future terms shall begin and end on that same day and month of subsequent years.
- G. A quorum of the Committee shall never be fewer than five (5) members and if seats are not filled due lack of applicants, work may begin with five (5) members and a quorum will consist of three (3) members.
- H. A member may be removed for cause by a majority vote of the City Council. Absence from three (3) consecutive regular meetings, or four (4) non-consecutive regular meetings during a single fiscal year, may constitute cause for removal from the Committee. In addition, any cause for removal may be voted on by the Committee and if a majority votes to recommend removal, it shall be referred to the City Council for a final vote on removal of the member from the Committee. If the City Council fails to appoint a Committee member following a vacancy within three months (3) of the vacancy, the Committee may appoint an interim Committee member by a majority vote.

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- I. The City Manager or designee shall provide clerical assistance, administrative support and technical assistance to the Committee and shall be present at the Committee meetings.
- J. The Committee may hold at least one (1) meeting per year at a location outside of City Hall but within the City of Santa Cruz.
- K. The Committee may convene community meetings to solicit community testimony and other input to build trust between the community, neighborhoods and the City, and to address other similar and relevant subjects as determined by the Committee within its jurisdiction.
- L. The Committee may invite subject matter experts and individuals to provide informational presentations, including but not limited to representatives from faith-based groups, non-profit affordable housing developers, land use experts, unhoused community advocates, renters' rights groups, land trusts, youth groups, LGBTQIA2S+ advocates, veterans, racial equity experts, and other members of the community.
- M. The Committee may establish by a majority vote, bylaws, working groups and sub-committees.
- N. Committee members shall be provided and shall attend training on the following:
  - 1. basic principles of Robert's Rules of Order and meeting procedures; and
  - 2. the legal requirements of California's Political Reform Act (Cal. Gov. Code section 81000, et seq.), Santa Cruz's Conflict of Interest Code (Resolution No. NS-18,483 - 2/14/89), California's Brown Act (Cal. Gov. Code section 54950, et seq.), and California's Public Records Act (Cal. Gov. Code section 6250, et seq.) and diversity, equity and inclusion.

**Section 3.38.080. Accountability.**

In accordance with the requirements of California Government Code Sections 50075.1 and 50075.3, the following accountability measures, among others, shall apply to the tax:

- A. A separate, special account, referred to as the Empty Home Tax Fund, shall be created, into which the proceeds of the Tax must be deposited.
- B. The specific purposes of the Tax are for provision of affordable housing and for the other purposes set forth in Section 3.38.060 of this Chapter. The proceeds of the tax shall be applied only to these specific purposes.
- C. The Committee established by Section 3.38.070 shall perform the oversight functions listed in that Section to ensure that the revenue from the tax is spent solely for the purposes listed in Section 3.38.060.

- D. An independent third-party auditor shall perform regular audits at least annually to ensure accountability and proper disbursement of all revenue collected by the City from the Tax imposed by this Chapter, in accordance with the objectives stated herein and in compliance with provisions of California law.

**3.38.090. False declarations.**

Any person required to make, render, sign or verify any report under the provisions of this Chapter, who makes any false or fraudulent declaration, with intent to defeat or evade the determination of an amount due and required to be paid hereunder, is guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than five hundred (500.00) dollars or by imprisonment in the county jail for a period of not more than six (6) months, or by both such fine and imprisonment.

**3.38.100. Enforcement and penalties.**

- A. Except as provided in Section 3.38.090, a violation of any of the provisions of this Chapter shall constitute an infraction for the first two (2) violations of this Chapter in a one-year period, which shall be punishable by a fine in a bail established by the City Council by resolution. Each person or entity in violation of this Chapter may be charged with a separate offense for each and every day during any portion of which any violation of any provision of this Chapter is committed, continued or permitted by such person or entity and shall, upon conviction, be punished accordingly. Three (3) violations within a one-year period shall constitute a misdemeanor, which shall be punishable by a fine of one thousand (1,000.00) dollars and/or by imprisonment in the county jail for a period of not more than six (6) months.
- B. In addition to any other remedy provided by this code, this Chapter may be enforced by injunction issued by the superior court upon a suit brought by the City of Santa Cruz, or upon a suit brought by any aggrieved party. Pursuant to Section 4.04.020, as part of a civil action filed to enforce provisions of this chapter, a court may assess a maximum civil penalty of two thousand five hundred (2,500.00) dollars per violation of this chapter for each day during which any person commits, continues, allows or maintains a violation of any provision of this chapter.
- C. This Chapter is enacted for the significant public benefit of promoting public health, safety and welfare to minimize any adverse impact on the community due to vacant residential units exacerbating the housing affordability crisis and to increase the affordable housing stock for the lowest income levels in the City. Therefore, if a private attorney general plaintiff successfully brings an action to enforce this Chapter against any offenders of this Chapter, it is the desire and intent of the city of Santa Cruz that the successful plaintiff be able to recover its reasonable attorneys' fees under Code of Civil Procedure Section 1021.5, or any similar private attorney general successor statute.
- D. Repeated violations of this Chapter constitute a public nuisance which may be enjoined under all applicable law, including, but not limited to, Municipal Code Section 4.04.020 and Code of Civil Procedure Section 731. Therefore, pursuant to Municipal Code Sections 4.25.010 and 4.25.020, the prevailing party to an action or proceeding to enjoin a public

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nuisance arising from violations of this Chapter shall recover the amount of its reasonable attorneys' fees.

- E. If the owner of a taxable property previously declared "in use" cannot provide requested required documentation to substantiate that status, the taxable property will be considered to be "vacant", and excluding a successful appeal pursuant to Section 3.38.110 of this Chapter, be subject to the Tax and any associated penalties. Additionally, the owner of the taxable property shall be subject to all of the following:
- a. immediate audit of the declaration of vacancy status for the three (3) preceding calendar years, except; if the tax has not yet been enacted for the preceding three (3) calendar years, the declaration of vacancy status shall be audited for all preceding calendar years in which the tax was applied; if the current majority interest property owner has not owned the taxable property for the entirety of the audit period defined above, the audit will be constrained to only the time period the current owner held a majority interest in the taxable property; if one hundred (100) percent of the legal interest in the taxable property was transferred within the preceding three (3) calendar years, the declaration of vacancy status shall be audited only back to the calendar year immediately following the transfer;
  - b. ongoing audit of the declaration of vacancy status for the two (2) following calendar years; and
  - c. pursuant to Santa Cruz Municipal Code Chapter 4.26, any additional administrative costs associated with audits required due to an owner being unable to provide required documentation to substantiate vacancy status shall be recovered from the owner directly. Monies recovered through this provision shall be deposited in the Empty Home Tax Fund.
- F. The City may take any other action permitted by law to ensure compliance with this Chapter and other City ordinances subject to its administration, including, but not limited to, general municipal code enforcement procedures in Santa Cruz Municipal Code Title 4.
- G. The remedies provided herein shall be cumulative and not exclusive. No remedy provided in this Chapter shall be deemed to be a prerequisite to the taking of any other action provided for herein.

**Section 3.38.110. Appeal process.**

- A. Request for Hearing. Following an adverse decision after an audit pursuant to Section 3.38.030 or the imposition of the tax pursuant to Section 3.38.040 an owner may, within twenty (20) days of notification of an adverse decision of an audit or receiving their ad valorem tax bill, file a petition and request an appeal hearing before a hearing officer as defined in Section 4.22 of the Santa Cruz Municipal Code. Upon such request, the City Manager shall randomly appoint an independent hearing officer from a panel of at least five (5) previously identified hearing officers.



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- B. Pre-Hearing Procedure. Prior to the hearing, the hearing officer may receive supplemental materials and evidence from the petitioner and the City. As soon as practical, the hearing officer shall set a deadline to receive any supplemental materials and evidence and shall set a hearing date.
- C. Hearing Procedure. Formal rules of evidence shall not apply to the conduct of the hearing and decisions shall be made on the preponderance of the evidence standard. The hearing officer shall have the authority and discretion to permit examination of witnesses. Any party to a hearing may be assisted by a representative, including an attorney.
- D. Decision Following Hearing. As soon as practical following the hearing, the hearing officer shall issue a written decision regarding the vacancy status of the subject taxable property. At the discretion of the hearing officer, the decision may, but is not required to, include findings of fact. The hearing officer's decision shall be considered final on the day it is executed by the hearing officer.
- E. Further Action. After the hearing officer issues a final decision, any party may seek further appropriate relief from the superior court. Any person whose complaint, claim, or petition may be resolved by employing the administrative remedies provided in Section 3.38.110 (A-D) must exhaust those remedies before filing any suit for refund, rebate, exemption, cancellation, amendment, adjustment, or other codification of the tax.

**Section 3.38.120. Administrative regulations and delegation.**

- A. The City is authorized to adopt rules and regulations consistent with this Chapter as needed to implement this Chapter, and to develop all related forms and/or other materials and take other steps as needed to implement this Chapter and make such interpretations of this Chapter as they may consider necessary to achieve the purposes of this Chapter.
- B. The City Manager may delegate any authority within the City Manager's discretion pursuant to this Chapter as the City Manager deems reasonably necessary.

**Section 4. Severability.**

If any section or portion of this Ordinance is found to be invalid by a court of competent jurisdiction, such finding shall not affect the validity of the remainder of the Ordinance, which shall continue in full force and effect, and to that extent, the provisions of this Ordinance are severable.

**Section 5. California Environmental Quality Act requirements.**

The City hereby determines that this Ordinance is not in-and-of-itself a "project" pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq., including without limitation CEQA Guidelines 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the adoption of the ordinance itself may have a significant effect on the environment. To the extent that special tax revenues generated by the Ordinance may in the future be used to fund the construction of capital improvements, the Ordinance may assist in the financing of future "projects" that will be subject to environmental review pursuant to CEQA at the "earliest feasible time" prior to "approval" consistent with CEQA Guidelines Sections 15004

and 15352.

**Section 6. Approval; effective date.**

This Ordinance, and all the provisions thereof, shall become effective only upon affirmative passage by a fifty (50) percent plus one (1) majority vote of the voters voting on the Ordinance. This Ordinance shall be considered adopted on the date that the City declares the results of the election at which it was voted upon and shall be effective ten (10) days thereafter.

**Section 7. Council amendments.**

This Ordinance may only be amended by a vote of the people if the amendment would result in the special tax being imposed, extended, decreased or increased in a manner not authorized by this Ordinance as originally approved by the voters. The City Council of the City of Santa Cruz is hereby authorized to amend Chapter 3.38 of the Santa Cruz Municipal Code as adopted by this Ordinance in any manner that does not decrease or increase the tax rates, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution.

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The full text of the Measure is as follows:

**The People of the City of Santa Cruz do hereby ordain as follows:**

**Section 1. Purposes**

The purposes of this Measure are to establish policies:

- (1) to address the City's housing crisis by prioritizing development of affordable housing on specified City-owned properties in Downtown Santa Cruz;
- (2) to maintain the Downtown Farmers' Market and Downtown Library, important community institutions, at their current locations;
- (3) to prevent the construction of a multi-level parking garage Downtown that transportation consultants to the City have concluded is unnecessary. The garage would contribute to increased greenhouse gas emissions.
- (4) to prioritize the expenditure of surplus parking revenue for:
  - (a) promoting development of affordable housing Downtown,
  - (b) supplementing 2016 Bond Measure S funding to renovate and modernize the Downtown Library,
  - (c) making improvements to the public space hosting the Downtown Farmers' Market; and
  - (d) providing funding for transportation demand management programs that reduce vehicle trips and make more parking available to visitors.

This measure further directs City officials to make any further conforming changes to the General Plan, Downtown Plan, Zoning Ordinance, and/or Local Coastal Program that are necessary and appropriate to comply with this Measure and State law.

**Section 2. Findings**

The people of City of Santa Cruz find and declare:

- 1. Action is needed to maintain Downtown as a place where a broad diversity of people can meet their needs in a Complete Neighborhood.**

The Santa Cruz 2030 General Plan explicitly values "Complete Neighborhoods." These are neighborhoods where people can live, work, access goods and services, recreate, learn, and

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socialize. Complete Neighborhoods include housing for a diversity of income levels. The General Plan adds to the definition of Complete Neighborhoods: “Residents need access to parks, open space, and other places where they can relax and socialize.” Planning for a Downtown that includes affordable housing prioritized on City-owned underutilized property, an improved Downtown Farmers’ Market and event space, and a renovated and modernized Downtown Library at its historic location across from City Hall will enhance Downtown as a Complete Neighborhood. The experience of cities across the world is that Complete Neighborhoods reduce demand for auto transportation and parking.

**2. Housing Affordability Is a Pressing Need.**

- A. According to the National Low Income Housing Coalition report (2019), Santa Cruz is the least affordable small city in the US. The limited supply of housing and especially affordable housing relative to demand causes stress and disruption of our community.
- B. In Downtown locations where parking demand can be met, conversion of specified City-owned surface parking lots for development of affordable multi-family dwellings can add at least twice as many and potentially three times as many affordable housing units as currently proposed for City Lot 4, the current site of the Downtown Farmers’ Market on Cedar Street, including 120 to 200 units on Lot 7, a City-owned lot on Front Street, and additional units on other City parking lots specified for affordable housing development in this Measure. Public parking continuing on the ground levels of these and other structures can meet localized parking demand.
- C. The Housing Crisis Act of 2019 (“SB 330”) calls for the expansion of residential development opportunities throughout the City, including opportunities for affordable housing development. Consistent with this State law, this Measure prioritizes affordable housing development on certain designated City-owned parcels that are now used as surface parking lots.

**3. Farmers’ Market Open Space is a Community Priority.**

- A. As more housing is developed Downtown, the need for public space for residents becomes more acute. As the City’s General Plan provision calling for Complete Neighborhoods states, “Residents need access to parks, open space, and other places where they can relax and socialize.”
- B. Retaining the Downtown Farmers’ Market where it has been for over two decades, at 119 Lincoln Street on the City-owned parcel known as Lot 4, will further the policies and goals of the City’s General Plan that provides for “establishing a sense of place and walkability of the City,” and of the Downtown Plan that provides that: “Open spaces within downtown Santa Cruz should have value and meaning; they should be carefully located where people want to be and in locations that take advantage of the unique resources, heritage, and traditions of the community.” The proposed move of the Downtown Farmers’ Market from its current location to the smaller Lot 7 on traffic-congested Front St. at Cathcart St. or another location would inhibit adherence to these policies and achievement of these goals,

and is inconsistent with the Downtown Plan.

**4. The Downtown Library, thoroughly modernized at its current location, can serve the public well and enhance the Civic Center.**

- A. Measure S, passed in 2016, provides bond funds for the Santa Cruz Libraries Facilities Financing Authority to “modernize, upgrade and repair local libraries in Santa Cruz [and other locations] – replace failing roofs, outdated bathrooms, electrical systems/ structurally damaged facilities; support growing use by children, seniors, veterans and others; expand access to modern technology; and construct/ expand facilities where necessary.”
- B. City consultants Jayson Architecture have proposed plans to use a portion of the City’s share of Measure S bond funds to thoroughly renovate the existing Downtown Library to create a 21<sup>st</sup>-century facility with new plumbing, electrical, HVAC, shelving, carpeting, lighting, and elevators, and adjacent handicapped and other parking. The proposal includes study rooms, a teen space, and a greatly increased children’s area and large community room, both with outdoor patios.
- C. Creating a state-of-the-art Downtown Library at its present site builds on the 117-year tradition of having the Library in the city’s Civic Center.

**5. Parking competes with and reduces opportunities for affordable housing.**

- A. Parking competes with housing for space. According to Urban Planning Partners, reporting to the Santa Cruz City Planning Commission on January 7, 2021, the space required to park two cars (including circulation space) is equivalent to the space required for a two-bedroom housing unit.
- B. Parking competes with affordable housing for City funds. Tens of millions of dollars saved from not building a new garage can be used to support development of affordable housing Downtown.
- C. Based on parking supply/demand projections and financial considerations, professional parking consultants have advised the City that a new parking garage is unnecessary. Nelson\Nygaard’s “Economics of Parking: Santa Cruz Strategic Parking Plan” (2019), produced for the City of Santa Cruz, states, “The most fiscally prudent approach to accommodating additional demand: Modernize parking management and better align parking prices to the cost of building and maintaining the system.” This report further states that “In aggregate almost thirty percent of off-street parking in the Downtown remains empty even at the peak of the peak times.... Oversupplying parking in a space-constrained area like a downtown can fragment the built environment, creating a less desirable place to work, live, visit, and walk around.”

**6. The City’s Climate Action Goals can be advanced by this Measure.**

- A. Prioritizing a public space for the Downtown Farmers’ Market on Lot 4, Cedar St., will

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permit the preservation of 10 Heritage trees and preserve the parcel for possible future development as a public space, park, or commons, thereby advancing the City's Climate Action Goals, rather than undermining them.

- B. Expansion of auto infrastructure undermines the ability of the City to reduce automobile dependency, the largest local contributor to global warming. The City failed to achieve its Climate Action Plan (2012) goal of reducing vehicle trips within town by 10% by 2020.
- C. Increasing the City's supply of affordable and market-rate housing can enable more workers to live close to their jobs in Downtown Santa Cruz, reducing vehicle miles traveled.
- D. Prioritizing Lot 4 for the Downtown Farmers' Market and other fairs and public events will allow use of 2016 Measure S Bond funds to renovate and modernize the Downtown Library at its existing location, thereby reducing the production of greenhouse gases required for the construction of a new library as part of a mixed-use project on Lot 4. As the 2021 winners of the prestigious Pritzker Architecture Prize assert: "Never demolish, never remove – always add, transform and reuse."

**7. Surplus parking revenue can support Downtown as a Complete Neighborhood.**

The City can avoid building a new garage by following consultant recommendations to make better use of existing parking resources. Savings from not building a garage can be invested in affordable housing and improvements to the Downtown Library and Downtown Farmers' Market infrastructure, as well as incentives for workers Downtown to commute by means other than single-occupant autos.

**Section 3. Definitions**

As used in this measure:

"Affordable housing" means residential dwelling units which are affordable to extremely low, very low, low, median, or moderate income households as defined by the Affordable Housing Provisions of the Santa Cruz Municipal Code (Chapter 24.16), or by any federal or state housing program and are subject to rental, sale, or resale provisions to maintain affordability.

"Downtown Plan" means the City of Santa Cruz *Downtown Plan* (September 1991) As Amended through January 28, 2020 and the date of approval of this measure by the voters of the City of Santa Cruz.

"General Plan" means the City of Santa Cruz 2030 General Plan, as amended through the date of approval of this Measure by the voters of the City of Santa Cruz.

"Lot 4" means the City-owned parcel at 119 Lincoln Street on the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21), as shown on **EXHIBIT B**.

"Measure" means this Initiative measure, including its statement of reasons and full text.

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“SB 330” means the Housing Crisis Act of 2019, as approved by the Governor on October 9, 2019 and subsequently codified in the California Government Code.

“Surplus parking revenue” means revenue determined by the City Council to be in excess of what is required in order to ~~provide and~~ maintain, improve or expand existing parking facilities or create new parking facilities in ~~of the Downtown Parking District and determined by the City Council as not needed to improve or expand such parking facilities.~~

“Zoning Code” means Title 24, Zoning, of the Santa Cruz Municipal Code.

**Section 4. General Plan Amendments**

- A. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 5 (Mobility), to add the following new General Plan Policy (addition in underline text):

M1.5.7 Prioritize, in a manner consistent with State law, the expenditure of surplus parking revenue from the Downtown Parking District that is in excess of funds needed to provide and maintain existing parking facilities and spaces for use in: 1) supporting the development of affordable housing for people who work Downtown; 2) establishing transportation demand management programs for people who work Downtown, including free transit passes; 3) supporting two Complete Neighborhoods projects – including renovation and modernization of the Santa Cruz Public Libraries’ Downtown Branch at 224 Church Street and improvements to Lot 4, to enhance the use of the space for public gatherings and recreation, including the Downtown Farmers’ Market.

- B. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU3.7.2 under existing Policy LU3.7 as shown below (additions in underline text):

**RESIDENTIAL USES**

LU3.7 Encourage higher-intensity residential uses and maximum densities in accordance with the General Plan Land Use designations. Cf. LU4.1.

LU3.7.1 Allow and encourage development that meets the high end of the General Plan Land Use designation density unless constraints associated with site characteristics and zoning development standards require a lower density. Cf. LU1.3

LU3.7.2 Require, to the maximum extent feasible, that certain designated parcels situated within the City of Santa Cruz Downtown Plan area, as shown in EXHIBIT A, and with the APNs as shown, that are City-owned parcels as of the date the voters approve this Measure, shall be developed with permanently affordable housing, with parking permissible on the ground level and not permissible on floors above the ground level, and public park space permissible, where appropriate. For Lots 14 and 16, library facilities and library-associated functions shall also be permissible on floors above the ground level. This Policy shall apply notwithstanding any subsequent sale or transfer of any City-owned parcels to private parties after the date the voters

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approve this Measure.

- C. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU1.1.6 under existing Policy LU1.1 as shown below (additions in underline text):

LU1.1.6 Recognize as a policy priority that the City-owned parcel at 119 Lincoln Street known as Lot 4 (APN 005-141-21) is the preferred long-term location of the Downtown Farmers' Market as well as other fairs and public events, with other ground-level uses incompatible with this priority strongly discouraged. This policy priority shall specifically not preclude the development of affordable housing and associated uses on Lot 4 above the ground level. Parking and other uses not associated with affordable housing are prohibited in any development on Lot 4 on floors above ground level.

- D. The voters hereby amend the City of Santa Cruz 2030 General Plan, Chapter 4, Land Use, to add the following new General Plan Policy LU1.1.7 under existing Policy LU1.1 as shown below (additions in underline text):

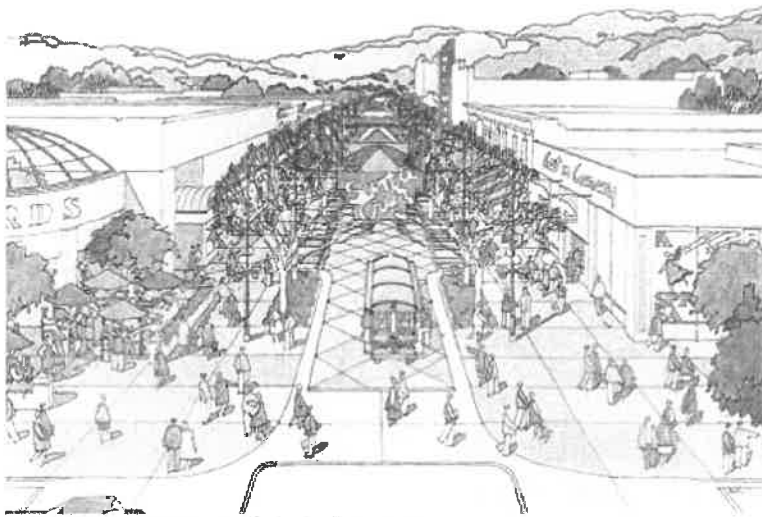
LU1.1.7 Recognize as a policy priority that the current location of the Santa Cruz Public Libraries' Downtown Branch at 224 Church Street is the preferred long-term location of this important community institution, with other uses incompatible with this priority strongly discouraged.

**Section 5. Downtown Plan Amendments**

- A. The voters hereby amend the Downtown Plan, Chapter 1, Introduction, *Executive Summary*, pp. 10-11, to amend text as shown below (additions in underline text, deletions in ~~strike through~~ text):

[continued on next page]





*Pacific Avenue between Cathcart and Lincoln...*



*... will be transformed once a week into a Farmers Market. can be transformed for special occasions and events.*

### ***Reinforcing the Pedestrian-Oriented Environment***

Downtown Santa Cruz should be a place where pedestrians feel comfortable throughout the day and nighttime hours. Great pedestrian places are those that always feel full and active, with people promenading, window shopping or watching other people, people sitting in cafes with friends, people passing by on bicycles, or people enjoying a

spontaneous street performance. The public spaces and streets of downtown Santa Cruz must be appropriately scaled to ensure that a comfortable pedestrian environment is created. As the major open space within the downtown, streets should be designed to respond to the cyclical nature and needs of the community. The ability to have larger pedestrian spaces when they are needed and more intimate and active places at other times will give the streets a life and character of their own. For instance, an annual parade or festival may warrant the temporary closure of all of Pacific Avenue to automobiles, ~~whereas a weekly farmer's market could be accommodated on a particular street segment (e.g., between Cathcart and Lincoln).~~ Similarly, traffic could be closed on other streets within the downtown (e.g., Cooper Street between Pacific and Front or Front Street between Water and River Streets) for special events.

- B. The Downtown Plan, Chapter 1, Introduction, *Executive Summary*, p. 14 is amended as shown below (additions in underline text):

***Housing Feasibility and Affordability***

A comprehensive housing implementation strategy should be developed by the City to establish a feasible program for the creation of market-rate and affordable housing, including developer incentives, land write-downs, public participation in financing, parking reductions, etc. The Downtown Plan does not recommend the imposition of exactions on commercial developers for the creation of residential development. However, the Downtown Plan requires, to the extent feasible, that certain designated parcels situated within the City of Santa Cruz Downtown Plan area as shown in Exhibit A, and with the APNs as shown, that are City-owned parcels as of the date the voters approve this Measure, shall be developed with permanently affordable housing, with parking permissible on the ground level and not permissible on floors above the ground level, and public park space permissible, where appropriate.

- C. The Downtown Plan, Chapter 3, Land Use Plan, *The Cedar Street Village Corridor*, p. 29, is amended as follows (additions in underline text):

The land use plan and the standards and guidelines strive to preserve and enhance the informal “village” qualities of the Cedar Street Corridor. Unlike the Pacific Avenue district, permitted ground-level uses include office in addition to retail, and residential uses are allowed at the ground level along the east-west streets and Center Street. No strict “build-to” lines are established, and the height of development is purposely stepped down to a maximum of 35 feet, or three floors. The land use plan further strives to preserve adequate space for the Downtown Farmers’ Market on Lot 4, the City-owned parking lot at 119 Lincoln Street, the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21).

- D. The Downtown Plan, Chapter 4, Development Standards and Guidelines, *Additional Regulations – Upper Floor Uses*, p. 44, is amended as follows:

(2) Multi-family Housing. Development projects containing up to 60 units in size are principally permitted uses. Residential uses shall incorporate sound attenuation space planning designs and construction materials and methods such that noise from nearby

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commercial activities do not unduly disturb occupants of new dwelling units. Residential development exceeding 60 units will be considered with a Special Use Permit if it can be demonstrated that such a development includes a mixture of unit types (e.g., variety of unit sizes) that will be attractive to a wide range of potential residents. Single-Room Occupancy projects require approval of an AUP and are subject to 24.12.1000 et seq. Single-Room Occupancy projects exceeding 60 units require approval of City Council. For properties east of Front Street between Soquel Avenue and Laurel Street, housing is a priority use and shall be at least 60% of the total floor area of the project. This requirement does not apply to properties within 75 feet of Laurel Street or Soquel Avenue. Parking shall be a prohibited use above the ground floor of any future development of the City-owned parcels referenced in Policy LU3.7.2 and shown in EXHIBIT A thereto, where upper level affordable housing development is prioritized.

- E. The Downtown Plan, Chapter 6, Streetscape and Open Space Plan, *Pacific Avenue: Cathcart to Lincoln*, p. 105, first paragraph, is amended as follows (additions in underline text, deletions in ~~strikethrough~~ text):

**Pacific Avenue: Cathcart to Lincoln**

The segment of Pacific Avenue between Cathcart and Lincoln Streets has a right-of-way width of approximately 80 feet. The area is characterized by a significant number of vacant parcels resulting from the earthquake. These sites include the Ford's Department Store property at Cathcart and Pacific, Plaza and Logos Books, and the Good Times and Gularte properties on the east side of Pacific Avenue. In spite of this devastation, the area is also characterized by several strong destinations including the Del Mar Theater, the Plaza Books Annex, and the Cat 'n' Canary clothing store, ~~and the weekly farmer's market on the Ford's property.~~ Redevelopment efforts are fairly advanced in the area, with three approved projects: two retail/residential developments on the Gularte and Good Times sites, and a retail/office development that will replace Logos Books.

- F. The Downtown Plan, Chapter 6, Streetscape and Open Space Plan, *Pacific Avenue: Cathcart to Lincoln*, p. 106, second paragraph, is amended as follows (deletions in ~~strikethrough~~ text):

The redevelopment of the Ford's and Plaza Books site will be critical to the achievement of a strong pedestrian environment in this area. The Plan recommends the consolidation of these two properties for the creation of a major retail anchor that could reinforce this portion of the downtown as a strong retailing destination. At the corner of Cathcart and Pacific, a setback of approximately 800 square feet is proposed as an entry plaza and cafe for this anchor use, to activate the street and to create a strong gateway to the downtown. Major storefront displays within the retail development would also serve to enliven the street and build off the creative windows across the street at Cat 'n' Canary. ~~The Plan also recommends that this segment of the street be closed on a weekly basis to accommodate the farmer's market.~~

- G. The Downtown Plan, Chapter 7, Implementation and Management Strategy, *Downtown Management Strategy*, p. 130, is amended to delete text as follows (deletions in ~~strikethrough~~ text):

**Farmer's Market**

- ~~• The CRM [Cooperative Retail Management entity] would assist in the coordination and administration of the weekly farmer's market on the City owned parcel at 119 Lincoln Street, including issuance of permits, control over individual vendors, and logistics related to setup, trash control, storage of stalls and vehicles, and street cleanup.~~
- ~~• The CRM would also coordinate with adjacent property owners and retailers to ensure that the farmer's market continues to be compatible with their merchandising.~~

**Section 6. Implementation**

- A. Effective Date. Upon the effective date of the approval of this Measure by the voters of the City of Santa Cruz, the provisions of Section 4 of the Measure **concerning parcels that do not lie within the Coastal Zone** are hereby inserted into the City of Santa Cruz General Plan, and the provisions of Section 5 of the Measure are hereby inserted into the City of Santa Cruz Downtown Plan; except that if the four amendments of the mandatory elements of the General Plan permitted by state law for any given calendar year have already been utilized in the year in which the Measure becomes effective, this General Plan amendment shall be the first amendment inserted into the City of Santa Cruz General Plan on January 1 of the next year. At such time as the provisions of Section 4 of the Measure are inserted into the City of Santa Cruz General Plan, and the provisions of Section 5 of the Measure are inserted into the City of Santa Cruz Downtown Plan, any provisions of the City of Santa Cruz Zoning Code, as reflected in the Zoning Code itself or in the City of Santa Cruz Zoning Map, that are inconsistent with the provisions of Section 4 and/or Section 5 of this Measure shall not be enforced. **The exception to the effective date is the Measure's application to parcels within the Coastal Zone. Parcels within the Coastal Zone require a Local Coastal Program amendment. The City Council is directed to submit an amended Local Coastal Program to the Coastal Commission within 6 months of voter approval, incorporating the provisions of Section 4 of this Measure. If the Coastal Commission denies the amendment, this Measure's application to parcels within the Coastal Zone will be void. If the Coastal Commission requires a modification of the amendment, the City Council will have 4 months to approve the modification or withdraw the amendment. For parcels within the Coastal Zone, the provisions of this Measure shall go into effect immediately upon Coastal Commission approval of an amended Local Coastal Program. No voter approval is necessary for the City Council to agree to a modification of the Local Coastal Program required by the Coastal Commission.**
- B. Interim Amendments. The date that the notice of intention to circulate this Initiative was submitted to the City elections official is referenced herein as the "Submittal Date." The

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City of Santa Cruz General Plan in effect on the Submittal Date as amended by this Measure is required by state law to comprise an integrated, internally consistent, and compatible statement of policies for the City of Santa Cruz. In order to ensure that nothing in this Measure would prevent the General Plan from being an integrated, internally consistent, and compatible statement of the policies of the county, as required by State law, and to ensure that the actions of the voters in enacting this Measure are given effect, any amendment or update to the General Plan that is adopted between the Submittal Date and the date that the General Plan is amended by this Measure shall, to the extent that such interim-enacted provision is inconsistent with the General Plan provisions adopted by this Measure, be amended as soon as possible to ensure consistency between the provisions adopted by this Measure and other provisions of the General Plan.

- C. Compliance with SB 330. The City of Santa Cruz and its City Council are hereby authorized and directed to amend the Santa Cruz General Plan, Downtown Plan, all specific plans, the Zoning Ordinance, the Zoning Map, Land Use Maps, and any other ordinances and policies affected by this Measure as soon as possible and in the manner and time required by any applicable state law, to ensure consistency between the policies adopted in this Measure and any governing provisions of SB 330.
- D. Other City Ordinances and Policies. The City of Santa Cruz and its City Council are hereby authorized and directed to amend the Santa Cruz General Plan, Downtown Plan, all specific plans, the Zoning Ordinance, the Zoning Map, Land Use Maps, and any other ordinances and policies affected by this Measure as soon as possible and in the manner and time required by any applicable state law, to ensure consistency between the policies adopted in this Measure and other elements of the General Plan, Downtown Plan, all specific plans, the Zoning Ordinance, the Zoning Map, Land Use Maps, and other City ordinances and policies.

**Section 7. Severability and Interpretation**

- A. This Measure shall be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Measure is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Measure. The voters hereby declare that this Measure, and each section, sub-section, sentence, clause, phrase, part, or portion thereof would have been adopted or passed even if one or more sections, sub-sections, sentences, clauses, phrases, parts, or portions are declared invalid or unconstitutional. If any provision of this Measure is held invalid as applied to any person or circumstance, such invalidity shall not affect any application of this Measure that can be given effect without the invalid application. This Measure shall be broadly construed in order to achieve the purposes stated in this Measure.
- B. If any portion of this Measure is held by a court of competent jurisdiction to be invalid, the voters hereby declare their strong desire that: (i) the City Council use its best efforts to sustain and re-enact that portion, and (ii) the City Council implement this Measure by taking all steps possible to cure any inadequacies or deficiencies identified by

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the court in a manner consistent with the express and implied intent of this Measure, including adopting or reenacting any such portion in a manner consistent with this Measure.

- C. Should the City Council determine that it is impossible to comply with the requirements of state law without amending the General Plan and/or Zoning Code in a manner inconsistent with the purposes, intent, or operative provisions of this Measure, it shall first seek voter approval of any proposed inconsistent amendments, and should the voters reject such amendments the City Council shall thereafter seek a judicial declaration or similar relief from a court of competent jurisdiction as to the existence and extent of the proposed amendments' inconsistencies with this Measure.

**Section 8. No Unconstitutional Taking**

This initiative is not intended, and shall not be applied or construed, to authorize the City to exercise its powers in a manner which will take private property for public use without the payment of just compensation, but shall be interpreted, applied and implemented so as to accomplish its purposes to the maximum constitutionally permissible extent. If application of this initiative to a specific property of record as of its effective date would create a taking, then the City Council may allow additional uses on said property, upon findings that the level of additional development permitted is the minimum necessary to avoid a taking, and no lesser level of development would be sufficient to avoid a taking.

**Section 9. Amendment or Repeal**

Except as otherwise provided herein, this Measure, including the General Plan Amendments and Downtown Plan Amendments enacted hereby, may be amended or repealed only by a majority of the voters of the City of Santa Cruz.

**Section 10. Effective Date and Duration**

- A. The provisions of this initiative shall remain in effect through the year 2050.
- B. This initiative shall take effect 10 days after the city council declares the results of the election approving this measure.

**Section 11. Conflicting Ballot Measures**

In the event that this Measure and another measure or measures relating to the same or similar subject matter shall appear on the same election ballot, the provisions of the other measures shall be deemed in conflict with this Measure. In the event that this Measure shall receive a greater number of affirmative votes, the provisions of this Measure shall prevail in their entirety, and the provisions of the other measure or measures shall be null and void.

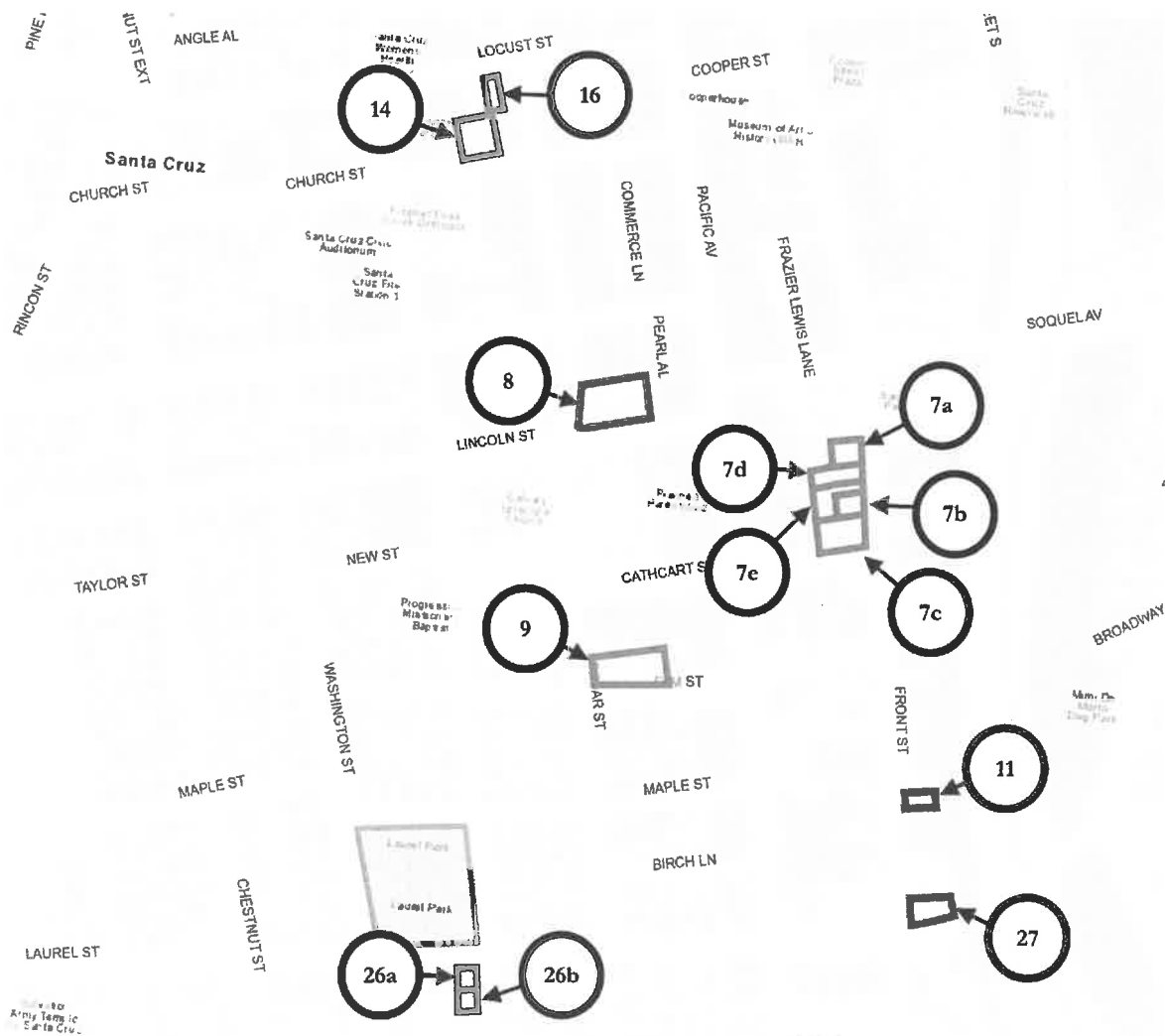
**Exhibit List**

**EXHIBIT A.** Map depicting City-owned parcels in the Downtown Plan area currently used as surface parking lots, to be prioritized for affordable housing development, as designated in this Measure (APN Nos. 005-048-11; 005-048-12; 005-075-12; 005-142-09; **005-151-35; 005-151-48;** 005-153-03; 005-153-05; 005-153-17; 005-153-28; 005-153-29; **007-012-01; 007-012-02**).

**EXHIBIT B.** City Parking Lot 4. Map showing Santa Cruz City-owned parcel at 119 Lincoln Street on the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21).

**EXHIBIT A**

**Map depicting City-owned parcels situated within the Downtown Plan area, currently used as surface parking lots, to be prioritized for affordable housing development, as designated in this Measure.**



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**City**

<b>Location on Map</b>	<b>Parking Lot</b>	<b>APN</b>	<b>Street Location</b>
7a	7	005-153-03	Front Street
7b	7	005-153-05	Front Street
7c	7	005-153-17	Front Street at corner of Cathcart Street
7d	7	005-153-28	Front Street
7e	7	005-153-29	Front Street
8	8	005-075-12	Cedar Street at corner of Lincoln Street
9	9	005-142-09	Cedar Street at corner of Elm Street
11	11	005-151-35	Front Street
14	14	005-048-11	Locust Street
16	16	005-048-12	Church Street
26a	26	007-012-01	Center Street at corner of Laurel Street
26b	26	007-012-02	Center Street
27	27	005-151-48	Front Street at corner of Laurel Street



**EXHIBIT B**

**City Parking Lot 4. Map showing Santa Cruz City-owned parcel at 119 Lincoln Street on the east side of Cedar Street between Lincoln and Cathcart Streets (APN 005-141-21).**

