



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Community Development and Infrastructure

Subject: Senate Bill 9 Implementing Ordinance

Meeting Date: June 24, 2025

Formal Title: Hold public hearing to consider approving in concept “An Ordinance of the Board of Supervisors of the County of Santa Cruz Amending Santa Cruz County Code Sections 13.10.327 And 13.10.328 Based on California Coastal Commission Feedback, Allowing Two-Unit Residential Developments and Urban Lot Splits in Unincorporated Areas of Santa Cruz County”, and take related actions

Recommended Actions

1. Hold a public hearing to consider California Coastal Commission (CCC) modifications to the Senate Bill (SB) 9 implementing ordinance, which includes adding Santa Cruz County Code Sections 13.10.327 and 13.10.328, allowing two-unit residential developments and urban lot splits in unincorporated areas of Santa Cruz County, approved by Resolution No. 263-2024 and Ordinance 5464;
2. Adopt resolution accepting the CCC's amendments to Santa Cruz County Code sections 13.10.327 and 13.10.328, and directing the Director of Community Development and Infrastructure or their designee to submit the resolution to the CCC;
3. Approve in concept an “An Ordinance of the Board of Supervisors of the County of Santa Cruz Amending Santa Cruz County Code Sections 13.10.327 And 13.10.328 Based on California Coastal Commission Feedback, Allowing Two-Unit Residential Developments and Urban Lot Splits in Unincorporated Areas of Santa Cruz County”;
4. Direct the Clerk of the Board to publish and post the Notice of Proposed Ordinance Summary pursuant to applicable legal requirements; and
5. Direct the Clerk of the Board to schedule the ordinance for second reading and final adoption on August 5, 2025.

Executive Summary

On December 10, 2024, the Board of Supervisors approved the SB 9 implementing ordinance and directed staff to submit the amendments to the CCC for certification. The Board approved a second reading on December 17, 2024. Amendments that are Local Coastal Program (LCP)-implementing require certification by the CCC, which was completed on April 11, 2025 with proposed modifications (see attached Adopted CCC Modifications to Amendment LCP-3-SCO-24-0067-3). The Board is requested to accept the CCC modifications before the SB 9 implementing ordinance can go into effect. A revised ordinance will also need to be adopted to formally amend the Santa Cruz County Code (SCCC).

Discussion

SB9 (Chapter 162, Statutes of 2021) requires ministerial approval of a housing

development with no more than two primary units on parcel in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. SB 9 facilitates the creation of up to four housing units in the lot area typically used for one single-family home. The SB 9 implementing ordinance, which includes adding Santa Cruz County Code Sections 13.10.327 and 13.10.328, allows two-unit residential developments and urban lot splits in the unincorporated areas of Santa Cruz County in accordance with State law.

On December 10, 2024, the Board of Supervisors approved the SB 9 implementing ordinance and directed staff to submit the amendments to the CCC for certification. The following documents were approved by the Board:

- Resolution No. 263- 2024
- Ordinance 5464 amending SCCC Chapter 13.10 (Zoning Regulations)

The SB 9 LCP Amendment package was submitted to the CCC on December 30, 2024, and deemed complete on February 11, 2025.

The CCC concurred at their public hearing on April 11, 2025, that the proposed amendments, with suggested modifications, are consistent with the County's LCP and implement the Coastal Act. County staff worked closely with CCC staff on the proposed modifications before the attached proposed modifications were approved by the CCC at their April 11, 2025, public hearing.

A summary of the proposed CCC modifications follows (see proposed ordinance and strikethrough version for changes):

- **Section 13.10.327**
 - **Subsection (A):** The previously proposed conflict resolution clause has been removed in its entirety. SB 9 provisions must be balanced with the Coastal Act, and neither would supersede the other. SB 9 includes a Coastal Act “savings clause” that would not allow SB 9 to “supersede or lessen the effect of the Coastal Act.”
 - **Subsection (C)(2):** Modified to remove the Residential Beach (RB) zone district from parcel eligibility. The rationale for removing the RB zone district is its overlap with areas already proposed as ineligible for two-unit residential developments—specifically, parcels located within coastal hazard areas seaward of coastal bluffs (i.e., beaches). This modification ensures clarity within the ordinance and reduces any potential conflict. No other zone districts have been removed from eligibility.
 - **Subsection (C)(3)(d):** Revises the previously proposed SCCC 13.10.327(C)(4)(b) to clarify property eligibility within coastal hazard areas, a term which is defined in SCCC Title 16. The modifications exclude properties seaward of coastal bluffs and permits development on blufftop properties only if proposed residences meet specific bluff erosion stability setback requirements. This clarification does not substantively alter the previously adopted ordinance. The original language relied on environmental regulations in Title 16; the revised language strengthens the ordinance’s intent and supports the protection of coastal resources, while still allowing two-unit

developments on properties that meet the required setbacks.

- **Subsection (C)(3)(e):** Updates and relocates language from the previously proposed SCCC 13.10.327(C)(4)(b) to clarify eligibility criteria for properties within Environmentally Sensitive Habitat Areas (ESHA) in the Coastal Zone. The revised section separates ESHA from other exclusionary criteria to reduce confusion and explicitly state that an eligible site must not be located within ESHA or their buffers—unless a buildable area exists outside those zones. This language closely mirrors SCCC 13.10.327(C)(4)(e), which applies to areas outside the Coastal Zone. A two-unit development may be eligible on parcels both inside and outside of the Coastal Zone, provided the proposed building site is located outside of sensitive habitat areas and their associated buffers. The ESHA eligibility criteria is consistent with the Board-adopted ordinance; neither provision excludes a parcel solely due to the presence of sensitive habitat somewhere on the parcel. Instead, eligibility depends on siting the development outside of sensitive areas and buffers.
- **Subsection (C)(4)(c):** Modified to apply only outside of the Coastal Zone, as SCCC 16.13 (Flood Management Regulations) is not currently part of the County's Local Coastal Program (LCP). Two-unit developments in the Coastal Zone are still subject to flood hazard area mitigations, but pursuant to Government Code Section 65913.4. See SCCC 13.10.327(C)(3)(a) for flood mitigations regarding two-unit developments in the Coastal Zone.
- **General:** Clarifying, non-substantive language changes have been added throughout SCCC 13.10.327 to enhance readability and understanding pertaining to the Coastal Act.
- **Section 13.10.328**
 - **Subsection (A):** The previously proposed conflict resolution clause has been removed in its entirety. As stated above, the suggestion to remove the conflict resolution clause is to balance SB 9 with the Coastal Act, so that SB 9 would not “supersede or lessen the effect of the Coastal Act”.
 - **Subsection (D)(1)(a):** Adds references to Coastal Hazard Areas, including areas seaward of and on/adjacent to coastal bluffs, as exclusionary areas for urban lot splits. Blufftop properties may still qualify if proposed building sites meet the required bluff erosion stability setbacks. As stated above, the modifications exclude properties seaward of coastal bluffs and permits development on blufftop properties only if proposed residences meet specific bluff erosion stability setback requirements. This change is a clarification and does not substantively alter the previously adopted ordinance. The revised language strengthens the ordinance's intent and supports the preservation of coastal resources, while still allowing urban lot splits on properties that meet the required setbacks.
 - **General:** Clarifying, non-substantive language changes have also been made

throughout SCCC 13.10.328 to enhance readability and understanding pertaining to the Coastal Act.

Financial Impact

The adoption of this ordinance will not have a financial impact on the County budget. Future development projects will pay applicable permitting and impact fees.

Strategic Initiatives

Operational Plan - Attainable Housing

Submitted By:

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Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.