

CITY OF SANTA CRUZ
Notice of Exemption

078-26

44-09182026-103

To: ☒ Clerk of the Board
County of Santa Cruz
Governmental Center
701 Ocean Street
Santa Cruz, CA 95060

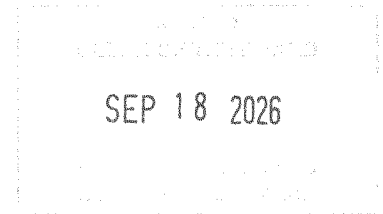
☒ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: City of Santa Cruz, Community Development Department
809 Center Street, Room 101, Santa Cruz, CA 95060

Project Title: Driftwood Flats

Project Address: 407-415 Pacific Avenue

Assessor's Parcel No.: 007-023-18, 007-023-19



Project Location: City of: Santa Cruz – see Figure 1. County of: Santa Cruz

Project Description: The project consists of a Major Modification to CP25-0156 to request an additional density bonus incentive/concession/waiver and several design modifications for an affordable residential project with ground floor commercial space that was approved in April 2026. The approved project was found to be exempt under CEQA (Public Resources Code [PRC] section 21080.66). One of the project conditions to meet labor standards specified in section 21080.66(d) now cannot be met, which requires modifications to the approved project conditions of approval. As a result, the former environmental documentation is no longer valid as the project no longer meets all of the requirements set forth in PRC section 21080.66. CEQA review was undertaken for the project in conjunction with the new requests, although the project as approved would not change except for the requested modifications.

Name of Person or Agency Carrying Out Project: CRP Affordable Housing and Community Development, 122 East 42nd Street, Suite 1903, New York, New York 10168

Name of Public Agency Approving Project: City of Santa Cruz

Exempt Status: (check one)

- ☐ Ministerial Project (Section 21080(b)(1); 15268).
- ☒ Statutory Exemption (Code/Section 21083.3).
- ☐ Categorically Exempt (Section 15305 and Section 15332).
- ☐ Declared Emergency (Section 21080(b)(3); 15269(a)).
- ☐ Emergency Project (Section 21080(b)(4); 15269(b)(c)).
- ☐ The project clearly will not have a significant effect on the environment (15061(b)(3)).

Reasons why project is exempt: The project has been determined to be exempt from the California Environmental Quality Act (CEQA) under a Statutory Exemption pursuant to Public Resources Code Section 21083.3 and State CEQA Guidelines Section 15183 (Projects Consistent with General Plan, Community Plan or Zoning) as explained below.

CEQA allows a lead agency to avoid repeating analyses that were already provided in a certified General Plan EIR for a development project that is consistent with the General Plan. Public Resources Code section 21083.3 and its parallel CEQA Guidelines provision, section 15183, provide for streamlined environmental review or exemption for projects consistent with the General Plan for which an EIR was certified. Pursuant to section 21083.3, subdivision (b), if a development project is consistent with the general plan for which an environmental impact report was certified, the application of CEQA shall be limited to effects on the environment which are “peculiar to the parcel or to the project” and which were not addressed as significant effects in the prior environmental impact report, or which substantial new information shows will be more significant than described in the prior environmental impact report. Subdivision (d) further indicates that an effect of a project upon the environment shall not be considered “peculiar to the parcel or to the project,” “if uniformly applied development policies or standards” have been previously adopted by the city or county, with a finding based upon substantial evidence, that the development policies or standards will substantially mitigate that environmental effect when applied to future projects, unless substantial new information shows that the policies or standards would not substantially mitigate the environmental effect. CEQA Guidelines section 15183, subdivision (f), adds that “[w]here a city or county, in previously adopting uniformly applied development policies or standards for imposition on future projects, failed to make a finding as to whether such policies or standards would substantially mitigate the effects of future projects, the decision-making body of the city or county, prior to approving such a future project pursuant to this section, may hold a public hearing for the purpose of considering whether, as applied to the project, such standards or policies would substantially mitigate the effects of the project.”

Under these provisions of CEQA, a project that is consistent with a General Plan that was adopted pursuant to a certified EIR, could be potentially partially or wholly exempt from CEQA.

Section 15183 of the State CEQA Guidelines provides further guidance related to Public Resources Code section 21083. Specifically, if a project is consistent with an agency’s General Plan for which an EIR has been certified, the agency shall limit its examination of environmental effects to those which the agency determines, in an initial study or other analysis:

- (1) Are peculiar to the project or the parcel on which the project would be located,
- (2) Were not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the project is consistent,
- (3) Are potentially significant off-site impacts and cumulative impacts which were not discussed in the prior EIR prepared for the general plan, community plan or zoning action, or
- (4) Are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR. (State CEQA Guidelines section 15183(b).)

CEQA Guidelines section 15183, subdivision (c) further provides that “if an impact is not peculiar to the parcel or to the project, has been addressed as a significant effect in the prior EIR, or can be substantially mitigated by the imposition of uniformly applied development policies or standards..., then an additional EIR need not be prepared for the project solely on the basis of that impact.”

On June 26, 2012, the Santa Cruz City Council adopted the *General Plan 2030* after certifying an EIR for the plan. The General Plan 2030 EIR (April 2012) includes the Draft EIR volume (September 2011) and the Final EIR volume (April 2012). The General Plan EIR reviewed all of the topics included in the Appendix G Environmental Checklist in the State CEQA Guidelines.

As indicated above, pursuant to Public Resources Code section 21083.3, certain (or potentially all) aspects of a development project that are consistent with a General Plan for which an EIR was certified may be exempt from additional CEQA analyses (i.e., negative declaration, mitigated negative declaration, or EIR) of issues that were adequately covered in the General Plan 2030 EIR. The project site is designated Regional Visitor Commercial (RVC) in the City's *General Plan 2030* and is zoned Central Business District (CBD). The mixed-use project, which includes 100% affordable residential units with ground floor commercial space, is consistent with the General Plan land use designation as explained in the "Environmental Checklist Review" prepared for the project.

In addition, the project is located within the *Downtown Plan* area, which was adopted as a specific plan (pursuant to California Government Code requirements) to implement General Plan policies in the downtown area. Chapter 4 of the *Downtown Plan*, Development Standards and Design Guidelines, is incorporated by reference in Part 24 of the Zoning Code in the CBD zone. The *Downtown Plan* was amended in 2025 to extend the boundary of the Plan to incorporate the South of Laurel Area into the *Downtown Plan* and add development standards and design guidelines for the added area, as well as other standards, which would facilitate future redevelopment of the project area. The amendments were evaluated in the Santa Cruz Downtown Plan Expansion Subsequent EIR (SEIR) that was prepared as a "subsequent EIR" to the 2017 Downtown Plan Amendments EIR pursuant to CEQA Guidelines section 15162. The Downtown Plan Expansion SEIR consists of the Draft EIR (January 2025) and the Final EIR (April 2025) volumes.

While the General Plan 2030 EIR and Downtown Plan Expansion SEIR considered the impacts of repurposing, intensifying, and redeveloping existing developed parcels in the City as a whole, specific future development of the project site was not specifically evaluated in either EIR. However, the General Plan EIR considered construction of new housing units and non-residential uses in the City with an estimated buildout of 3,350 new residential units and approximately 1,090,000 square feet of commercial uses throughout the City by the year 2030. Since adoption of the General Plan, approximately 4,800 residential units and approximately 440,000 square feet of commercial space have been constructed or approved throughout the City. While residential development throughout the City has exceeded the estimated development potential evaluated in the General Plan 2030 EIR, non-residential development that has been constructed or approved is substantially below the estimated development evaluated in the General Plan 2030 EIR. However, updated development projections were estimated and evaluated as part of amendments to the Downtown Plan Expansion SEIR, including up to 1,800 housing units and 60,000 square feet (sf) of gross commercial area, including the redevelopment of approximately 66 dwelling units and 76,770 square feet of commercial uses, resulting in a net increase of 1,734 dwelling units and a potential net decrease of 16,770 square feet of commercial space.

The project site is located in the South of Laurel area that was included in the analyses in the Downtown Plan Expansion SEIR. The project includes 102 residential units. Since certification of the SEIR, one other project has been approved in the South of Laurel area, consisting of 245 residential units and a decrease of approximately 12,000 square feet of commercial square space. Thus, to date, 347 dwelling units have been constructed or approved in the area evaluated in the SEIR,

including the project. This is less than the total number of residential units and commercial square footage evaluated in the SEIR. Thus, the project's 102 residential units and 1,490 square feet of commercial use (with the proposed modifications) are within the amount of development considered in the DPESEIR.

An "Environmental Checklist Review" was prepared and is on file with the City of Santa Cruz Community Development Department. The purpose of the checklist was to evaluate the impact categories covered in the City's certified General Plan 2030 EIR and Downtown Plan Expansion SEIR, to determine whether the project's impacts have been adequately analyzed or whether any new significant impacts peculiar to the project or project site would result. Where an impact resulting from the project was adequately analyzed previously, the review provides a cross-reference to the pages in the General Plan 2030 EIR and Downtown Plan Expansion SEIR where information and analysis may be found relative to the environmental issue listed under each topic. The Environmental Checklist also identifies whether the project involves new significant impacts or substantially more severe impacts than analyzed in the General Plan 2030 EIR or Downtown Plan Expansion SEIR or new significant impacts not peculiar to the site or project. As indicated above, an impact would not be considered "peculiar" to the project or project site if uniformly applied development policies or standards will substantially mitigate an environmental effect. Therefore, the review includes mitigation measures identified in the General Plan 2030 EIR and Downtown Plan Expansion SEIR that would be applicable to the site or project and/or relevant uniformly applicable development policies or standards that will be applied to the project.

Based on the following review, it has been determined that the City's General Plan 2030 EIR and Downtown Plan Expansion SEIR have adequately addressed the following issues, and no further environmental review is required pursuant to Public Resources Code section 21083.3: aesthetics (scenic views, scenic resources, visual character); agricultural and forest resources; air quality (conflicts with Air Quality Management Plan, project emissions, odors); biological resources (special status species, riparian, wetland or other sensitive habitat, conflicts with plans); cultural resources (historical resources); energy; greenhouse gas emissions; geology and soils (use of septic systems); hazards/hazardous materials (use/disposal of hazardous materials, create hazard, airport safety, emergency response, wildfire hazards); hydrology-water quality (groundwater, conflicts with plans); land use; mineral resources; noise and vibration; population and housing (population growth); public services; recreation; transportation (conflicts with program or policy, conflict with CEQA Guidelines [VMT], design, emergency access); tribal cultural resources; utilities (infrastructure, wastewater treatment, solid waste disposal); and wildfire.

The following site-specific impacts have been analyzed and determined to be less than significant due to substantial mitigation resulting from General Plan policies, zoning regulations and/or development standards that are uniformly applied to development projects throughout the City: aesthetics (light and glare); air quality (sensitive receptors); cultural resources (archaeological resources, human burials); geology and soils (seismic hazards, geologic hazards, erosion, soils, paleontological resources); hazards/hazardous materials (exposure to hazardous materials); hydrology/water quality (water quality, drainage, flood hazards); population and housing (displacement people); utilities (water supply); and cumulative impacts. Thus, pursuant to Public Resources Code section 21083.3 and State CEQA Guidelines section 15183, no further environmental analysis is required.

For reasons explained in the Environmental Checklist Review prepared for the project, the Planning Commission agreed with City staff's conclusion that the Project is wholly exempt from CEQA under section 21083.3 and CEQA Guidelines section 15183. The Environmental Checklist Review explained why the project does not create any impacts that are peculiar to the project or parcel. The document identifies numerous impacts that were sufficiently addressed in the General Plan 2030 EIR and the Downtown Plan Expansion SEIR. The remaining impacts can be substantially mitigated by the uniformly applied development policies and standards identified in the Checklist. The Planning Commission found that these policies and standards, as applied to the project, were effective in substantially mitigating these impacts.

Thus, pursuant to Public Resources Code section 21083.3 and State CEQA Guidelines section 15183, no further environmental analysis is required.

Lead Agency

Contact Person: Rina Zhou

Phone: (831) 420-5104

Department: Community Development

Address: 809 Center Street, Room 101
Santa Cruz, CA 95060

Signature: _____



Date: _____

9/17/2026

- ☒ Signed by Lead Agency
☐ Signed by Applicant

Title: Senior Planner

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? ☐ Yes ☒ No

Date Received for filing at County Clerk: _____

Date Received for filing at OPR: _____

[illegible]

THIS NOTICE HAS BEEN POSTED AT THE CLERK
OF THE BOARD OF SUPERVISORS OFFICE FOR A
PERIOD COMMENCING 9/18/2026
AND ENDING 10/23/2026