

ORDINANCE NO. 2025-23

AN ORDINANCE OF THE CITY OF SANTA CRUZ AMENDING SANTA CRUZ MUNICIPAL CODE CHAPTER 21.03 – RELOCATION ASSISTANCE FOR DISPLACED TENANTS AND CHAPTER 24.08, PART 14: RESIDENTIAL DEMOLITION/CONVERSION AUTHORIZATION PERMITS TO IMPLEMENT AMENDMENTS RELATED TO DISPLACEMENT OF TENANTS DUE TO ENFORCEMENT OF UNSAFE LIVING CONDITIONS AND DUE TO DEMOLITION OF HOUSING. (CEQA: EXEMPT PURSUANT TO CEQA GUIDELINES SECTION 15061(b)(3) AS A PROJECT THAT WITH CERTAINTY HAS NO POSSIBILITY FOR CAUSING A SIGNIFICANT EFFECT ON THE ENVIRONMENT.)

WHEREAS, the City of Santa Cruz 2023-2031 Housing Element (Housing Element) was adopted in December 2023 by the Santa Cruz City Council and subsequently accepted by the state Department of Housing and Community Development; and

WHEREAS, Objectives 5.5b and 6.4b of the Housing Element require the City to adopt anti-displacement policies and to align with state law the regulations associated with right of first refusal for lower income households displaced by demolition; and

WHEREAS, the City adopted the Relocation Assistance Ordinance, Chapter 21.03 of the Santa Cruz Municipal Code, in 1991 to address the extended or permanent displacement of tenants resulting from hazardous, substandard, or structurally deficient housing conditions; the city recognizes that relocation assistance may be necessary in cases of temporary displacement, where tenants are required to vacate their residences for a limited period while repairs or corrections are made to the property, and that the amount of relocation assistance should be commensurate with the displacement period; and

WHEREAS, the City thereafter amended Chapter 21.03 on five additional occasions through Ordinance No. 91-43, Ordinance No. 92-30, Ordinance No. 2001-12, Ordinance No. 2018.02 and Ordinance No. 2018.20; and

WHEREAS, the City adopted municipal code Chapter 24.08, Part 14, Residential Demolition/Conversion Authorization Permits and subsequently amended this Part in 2016, 2019, 2022, and 2024; and

WHEREAS, at its October 2, 2025 meeting, the City Planning Commission reviewed the proposed amendments to Title 24 of the Santa Cruz Municipal Code and found that the public necessity, and the general community welfare, and good zoning practice shall be served and furthered; and that the proposed amendments are in general conformance with the principles, policies, and land use designations set forth in the General Plan, Local Coastal Plan and any adopted area or specific plan as proposed to be amended; and

WHEREAS, at its October 2, 2025 meeting the City Planning Commission passed a motion that recommended the City Council approve the determination under the California Environmental Quality Act and approve the proposed amendments to Title 24 of the Santa Cruz Municipal Code.

NOW THEREFORE BE IT ORDAINED by the City of Santa Cruz as follows:

Section 1. Section 21.03.020 of Chapter 21.03 of the Santa Cruz Municipal Code regarding Definitions is hereby amended to read as follows:

21.03.020 DEFINITIONS.

For purposes of this chapter, the following words and phrases, whenever used, shall be construed as defined in this section:

- (a) “Fair market value” shall mean either the fair market value rent for a unit of comparable size, as established by the most current Federal Department of Housing and Urban Development schedule of fair market rents, or the tenant’s actual rent at the time of relocation, whichever is greater. If only a portion of the property is affected (for instance, one unit of a property that contains two units, or an additional bedroom added outside of habitable living space) the fair market value will be calculated on the bedrooms and/or rent of the affected areas.
- (b) “Displacement” shall mean either:
 - (1) When tenant(s) is/are required to vacate structures rented for residential purposes due to unsafe or hazardous living conditions, as defined below, or due to illegal use of the structure as a residence. These types of Displacement will fall into three categories.
 - (A) “Temporary displacement” shall mean a displacement of zero to fourteen days.
 - (B) “Short-term displacement” shall mean a displacement of fifteen to 59 days.
 - (C) “Long-term displacement” shall mean a displacement of 60 days or more.

OR

- (2) When tenant(s) is/are forced to relocate due to a large rent increase.
- (c) “Large rent increase” shall mean a rent increase of more than five percent in one year or cumulatively more than seven percent in any two consecutive years (seven percent over two consecutive years includes compound interest; e.g., for a maximum five percent increase in one year followed by a one-and-nine-tenths percent increase in the following year).
- (d) “Relocation assistance” shall mean relocation payment(s), suspension of rents due while the tenant does not occupy the property, and the right of first refusal to reoccupy a residential structure, as defined in this section, for tenant(s) affected by displacement.

(e) “Relocation payment” shall mean:

- (1) For tenants who are required to vacate structures rented for residential purposes due to unsafe or hazardous living conditions, or due to illegal use of the structure as a residence:
 - (A) And where the property owner has established that there will be only a temporary displacement, the immediate payment of one month’s fair market value and an additional payment of \$300 to each adult tenant to allow for additional costs related to the displacement.
 - (B) And where the property owner has established there will only be a short-term displacement, the immediate payment of three months’ fair market value and an additional payment of \$300 to each adult tenant to allow for additional costs related to the displacement.
 - (C) And where a temporary displacement has turned into a short-term displacement, the payment of an additional two months’ fair market value within three days of the change in the term of displacement.
 - (D) And where a short-term displacement has turned into a long-term displacement, the payment of one additional one month’s fair market value within three days of the change in the term of displacement.
 - (E) And where a long-term displacement is anticipated, or the owner has not established there will be a shorter displacement, the immediate payment of four months’ fair market value and an additional payment of \$300 to each adult tenant to allow for additional costs related to the displacement.
- (2) For tenant(s) affected by any displacement, an agreement for other arrangements made between the property owner and the tenant(s) which provides equal benefits to the tenant(s) as evidenced by a written agreement between the tenant(s) and the property owner may substitute for the payment(s) required in 21.03.020(e)(1) or (e)(3). Such agreement shall at a minimum contain each of the following components:
 - (A) The names of the current tenant(s) of the unit being vacated, and an indication of who is considered the head of household therein;
 - (B) The address and the number of the unit from which the tenant(s) is/are being displaced;
 - (C) A statement indicating the amount of relocation payment to which the tenant(s) is/are entitled, based on the fair market value for the size of the subject unit;
 - (D) A statement that the tenant(s) has/have waived the right to such relocation payment, and describing what alternative arrangements of equal benefit the property owner has agreed to provide the tenant(s), which is acceptable to the tenant(s) in lieu of the lump

sum relocation payment(s) set forth in 21.03.020(e)(1) or (e)(3); and

- (E) The address, if known, of the location to which the tenant(s) plans to move.
- (3) For tenants who relocate due to a large rent increase, the payment of two months of the tenant's actual rent, that was in effect prior to the effective date of the large rent increase, within twenty-one calendar days after a tenant gives the owner notice of intent to vacate due to a large rent increase or before the tenant(s) vacate the property, whichever is soonest.
- (4) "Immediate payment" of any relocation payment shall mean payment delivered to the tenant prior to the time the tenant vacates the unit or within one day thereafter.
- (5) A relocation payment shall be a separate requirement and obligation payable to a tenant, and it is in addition to the refund of any security deposit pursuant to California Civil Code Section 1950.5 and/or the payment of interest accrued on said security deposit pursuant to Chapter 21.02.
- (f) "Right of first refusal" shall mean the right of a tenant to reoccupy a residential structure on the site formerly occupied by said tenant, once the residential structure is repaired and becomes habitable, or once housing is redeveloped on the site.
- (g) "Tenant" shall mean each person who occupies a structure for residential purposes with the knowledge and/or consent of the property owner and/or the property owner's agent. Persons residing in homeless shelters, persons encamped on public lands, and persons residing in vehicles are not tenants under this definition.
- (h) "Unsafe or hazardous" living condition is an issue identified by the city, and posted to the property, stating that the dwelling or portion of the dwelling is unfit for human habitation, creating the need for the tenant(s) to vacate. Examples may include, but are not limited to, structural deficiencies that threaten safety, inadequate escape/rescue access for sleeping quarters, or leaking gas lines.

Section 2. Section 21.03.030 of Chapter 21.03 of the Santa Cruz Municipal Code regarding Relocation Assistance Requirements is hereby amended to read as follows:

21.03.030 RELOCATION ASSISTANCE REQUIREMENTS.

- (a) Relocation Assistance. The owner of any structure rented for residential purposes shall provide relocation assistance and make relocations payment(s), as specified in Section 21.03.020, to the tenant(s) that are required to vacate due to unsafe or hazardous living conditions; or due to illegal use of the structure as a residence; or vacate after a tenant gives the owner notice of intent to vacate due to a large rent increase.
- (b) No refund on relocation payment(s) is due to the property owner, including when displacement is shorter than anticipated, unless one of the exemptions of 21.03.040 applies.

- (c) Proof of Compliance. In order to provide proof of compliance by the property owner with the relocation payment requirements due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence, a copy of the check or money order provided to the tenant(s), and a receipt signed by the tenant(s), or a copy of the written agreement executed by the property owner and the tenant(s) providing for and describing alternative arrangements under 21.03.020(e)(2), shall be provided to the code compliance specialist of the city of Santa Cruz department of planning and community development within five days of the date that the unit is vacated by the tenant(s).
- (d) Right of First Refusal. Any tenant(s) evicted or required to vacate any residential structure due to unsafe or hazardous living conditions or due to illegal use of the structure as a residence shall be given the right of first refusal to reoccupy a residential structure on the site once said structure becomes habitable, or once a replacement housing structure is constructed on the same site.
- (1) The owner of said structure shall, at the time the tenant(s) vacates, provide written notice advising the tenant(s) of the right of first refusal. Said notice shall include a current address and telephone number which can be used by the tenant(s) to contact the owner.
 - (2) It shall be the tenant's responsibility to provide the owner of said structure with contact information consisting of the tenant's current address and/or telephone number to be used for future notification, and to provide updated contact information to the owner upon change of said information.
 - (3) Thereafter, when said structure becomes available, the property owner shall give written notice to the tenant(s) advising said tenant that the structure is ready for occupancy. Said written notice shall be made by certified mail, return receipt requested. If there are multiple tenants with this right, and they do not intend to live together, the property owner's notice shall advise that it is the first tenant that confirms acceptance shall have the right to reoccupy. If the accepting tenant thereafter fails to reoccupy, the landlord must thereafter offer the right to reoccupy to the other tenant(s) again.
 - (4) If the property owner cannot locate a previous tenant(s) after two attempts over a period of two weeks, the property owner shall be deemed to have complied with the right of first refusal provision of this chapter, and the tenant's right of first refusal shall thereafter be forfeited.
 - (5) Owner shall offer the structure, or a redeveloped structure on the same site, at same rental rate that was in effect at the time the tenant(s) vacated the property and the time during which the property was vacated will be tolled for application of rent increase(s) under this chapter and under California Civil Code 1947.12 or its successor law.
 - (6) If an Owner fails to offer the tenant(s) first refusal and re-rents the property, the tenant(s) shall be entitled to the payment of an additional four months' fair market value.
 - (7) With respect to the first right of refusal, where the provisions of state and local law conflict,

the provision that provides the greater protections to the tenant(s) shall take precedent.

Section 3. Section 21.03.040 of Chapter 21.03 of the Santa Cruz Municipal Code regarding Exceptions is hereby amended to read as follows:

21.03.040 EXCEPTIONS.

- (a) The following tenant(s) evicted or required to vacate as a result of unsafe or hazardous living conditions or illegal use, shall not be entitled to receive relocation assistance from the property owner:
 - (1) Any tenant who is then in default of rent (except tenants withholding rent pursuant to state law for correction of unsafe or hazardous conditions);
 - (2) Any tenant who refuses to promptly vacate the property after the portion of the structure they have been occupying is posted as unsafe or hazardous, unless there is alternative agreement under section 21.03.020(e)(2) allowing occupancy of a different part of the property;
 - (3) Any tenant who refuses to vacate after the timely payment of the relocation payment, unless there is alternative agreement under section 21.03.020(e)(2); or
 - (4) Any tenant who has caused or substantially contributed to the condition(s) giving rise to the unsafe or hazardous living condition(s) of the property.
- (b) Property owners are not required to provide relocation assistance to any tenant evicted or required to vacate a residential structure that becomes unsafe or hazardous due to recent events that are beyond the control of the property owner.
- (c) For tenants who relocate due to a large rent increase, tenant(s) shall provide such notice of intent to vacate no later than sixty days after the effective date of such increase. If such notice is not given by tenant within sixty days of effective date of rent increase, tenant is understood to have accepted such increase and is no longer eligible to claim relocation assistance from the property owner.
- (d) Properties owned by the City are not subject to the large rent increase relocation assistance provisions of this chapter.
- (e) Units governed by deed restrictions for affordable housing are not subject to the large rental increase provisions of this chapter.

Section 4. Section 21.03.050 of Chapter 21.03 of the Santa Cruz Municipal Code regarding Rent Increases During Repairs is hereby amended to read as follows:

21.03.050 RENT INCREASES DURING REPAIRS.

- (a) In those cases where the owner has been issued a notice and order by the city to repair or remedy unsafe or hazardous living conditions or illegal use of residential rental property and where said repairs or remediation does not cause displacement of the tenants, thereby allowing the tenants to remain in residence while said repairs are undertaken, it shall be unlawful for a property owner to increase the amount of rent for any structure rented for residential purposes during the time that repairs are being made pursuant to the city notice and order requiring said repairs. No rent increase shall thereafter be levied until the city has issued a certificate of passed inspection verifying the fact that said repairs or remediation has been completed.
- (b) In those cases where a notice and order has been issued to a property owner by the city to repair or remedy unsafe or hazardous living conditions or illegal use of residential rental property, and where said notice and order has been issued by the city within ninety days of a rent increase levied by the property owner upon the tenants of the property, and where said repairs or remediation does not cause displacement of the tenants, thereby allowing tenants to remain in residence while said repairs are undertaken, the property owner shall be required to roll back rents to the rates of rent charged by the landlord prior to the subject rent increase. In addition, all excess rents collected by the property owner between the date of the rent increase and the date of the notice and order shall be refunded to the tenants. Thereafter, it shall be unlawful for the property owner to increase the amount of rent during the time that said repairs and remediation are being made pursuant to the subject notice and order requiring said repairs and no rent increase shall be levied until the city has issued a certificate of passed inspection verifying the fact that said repairs or remediation has been completed.

Section 5. Section 21.03.060 of Chapter 21.03 of the Santa Cruz Municipal Code regarding Violation and Penalty is hereby amended to read as follows:

21.03.060 VIOLATION AND PENALTY.

Any violation of this chapter shall be deemed an infraction for the first offense. Any subsequent violation occurring within six months from the first offense shall be deemed a misdemeanor. In addition to any other available remedies and penalties, said offense(s) shall be subject to all of the remedies and penalties provided for in Title 4. In accordance with Section 4.12.030, an administrative civil penalty of up to two thousand five hundred dollars per day may be assessed for each day during which a property owner or manager fails to provide relocation assistance required by Section 21.03.030 following issuance of a written order or notice of violation by the city. Nothing herein shall limit the right of a tenant to enforce the obligations provided herein by civil action or by any other legal remedy which may be available to said tenant.

Section 6. Section 21.03.070 of Chapter 21.03 of the Santa Cruz Municipal Code regarding Private Right of Action is hereby amended to read as follows:

21.03.070 PRIVATE RIGHT OF ACTION.

The city maintains discretion to have any violation contained in this chapter to be enforced through civil matters rather than by the city. Further, any person whose rights pursuant to this chapter have been violated shall have the right to file an action for injunctive relief and/or damages. Whoever

is found to have violated this chapter shall be subject to appropriate injunctive relief and shall be liable for damages, costs and reasonable attorney's fees. Treble damages shall be awarded for willful failure to comply with the payment obligation established by this chapter. Any action pursuant to this section shall be a civil matter and adjudicated through civil court.

Section 7. Section 24.08.1320 of Chapter 24.08 of the Santa Cruz Municipal Code regarding General Provisions is hereby amended to read as follows:

24.08.1320 GENERAL PROVISIONS.

California state law includes strict standards for the demolition of housing in an effort to ensure that existing density is not reduced and that housing that is currently rented to lower income tenants is maintained as affordable housing within new development. Housing demolition shall comply with the requirements of this Part as well as applicable requirements contained in California state law governing relocation assistance, replacement housing units, and right of first refusal, including but not limited to California Government Code Sections 65583.2, 65915(c), 66300.5, and 66300.6, as amended. For each provision of the regulations, when both this code and the Government Code apply, whichever has the stricter requirements, such as the higher number of replacement units, higher number of bedrooms, and/or greater amount of relocation assistance, shall take precedence. A residential demolition/conversion authorization permit shall be required prior to issuance of a demolition permit for any residential dwelling unit, including any accessory dwelling unit or junior accessory dwelling unit, or single-room occupancy living unit. A residential unit that is replaced by a conversion accessory dwelling unit shall not be required to obtain a residential demolition authorization permit.

Section 8. Section 24.08.1340 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Demolition or Conversion of Dwelling Groups, Multiple Dwellings, and Single-Room Occupancy Living Units is hereby amended to read as follows:

24.08.1340 DEMOLITION OR CONVERSION OF DWELLING GROUPS, MULTIPLE DWELLINGS, AND SINGLE-ROOM OCCUPANCY LIVING UNITS.

The zoning administrator may issue a demolition/conversion authorization permit for the demolition or conversion of a multifamily structure, dwelling groups, multiple dwellings and single-room occupancy living units upon holding a public hearing and finding that:

1. The project to replace the demolished or converted units has been approved and an appropriate building permit has been issued; unless a hardship can be documented rendering this finding inappropriate;
2. The demolition or conversion meets all applicable requirements for relocation assistance, replacement housing, and right of first refusal required by Sections 24.08.1350 through 24.08.1370 and state law, including but not limited to California Government Code Sections 65583.2, 65915(c), 66300.5, and 66300.6, as amended.

Section 9. Section 24.08.1345 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Establishing Low- and Moderate-Income Occupancy is hereby amended to read as follows:

24.08.1345 ESTABLISHING LOW- AND MODERATE-INCOME OCCUPANCY.

1. Low- and moderate-income occupancy is established as follows:

a. Occupied Units.

- (1) At the time of application, the applicant shall file a list of names and unit numbers of the tenants who occupied the units during the previous year.
- (2) The applicant shall arrange to have the Public Housing Authority (PHA) verify income of tenants for the purpose of establishing low- and moderate-income tenancy.
- (3) In the event that a tenant's income is not verified, the assumption shall be made that the unit is occupied by a low- or moderate-income household.

b. Vacant Units.

- (1) The application shall supply the names and addresses of the last tenants that had occupied each dwelling unit within two years prior to the date of submission of the application for the residential demolition/conversion authorization permit.
- (2) The applicant shall arrange to have the Public Housing Authority (PHA) verify the income of said tenants for the purpose of establishing low- and moderate-income housing units.
- (3) In the event that the most recent tenant cannot be located or identified, the assumption shall be made that the unit was occupied by a low- and/or moderate-income household.
- (4) Mitigation measures for demolition or conversion of use of low- and moderate-income housing units shall be based upon the number of units determined to be low- and moderate-income housing units.

c. Notwithstanding subsections (1)(a) and (b), the applicant may stipulate that one or more of the units are or have been occupied by low- or moderate-income households.

Section 10. Section 24.08.1350 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Relocation Assistance is hereby amended to read as follows:

24.08.1350 RELOCATION ASSISTANCE.

All low- or moderate-income households displaced by demolition or conversion of use shall receive relocation assistance as required by this section or by state law including but not limited to Government Code Section 66300.6, as amended, whichever amount is greater. For purposes of this section, a residential dwelling unit shall be occupied by a person or family of low or moderate income if a low- or moderate-income household currently occupies or had occupied the dwelling unit within two years prior to the date of submission of the application for the residential demolition/conversion authorization permit.

Relocation assistance shall be defined as two months' rent. Other arrangements agreeable to the tenant, as evidenced by a written agreement between the tenant and the demolition/conversion authorization permit applicant may be allowed; however, in no case shall the agreement allow for no relocation assistance to be provided, nor can the permit applicant influence or threaten the tenant in any manner to agree to any alternative arrangement that would be less favorable to the tenant than the assistance that is legally required. Payment of relocation assistance or other agreed-upon assistance shall be made by the applicant to eligible tenants prior to submittal of the building permit for the replacement project or use, or at the time of notification of termination of tenancy, whichever occurs first. If the eligible tenancy was terminated prior to the date of application of the residential demolition authorization permit, then the tenant shall still receive relocation assistance, which shall be made prior to issuance of the building permit for the replacement project or use.

Section 11. Section 24.08.1360 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Replacement Housing Requirements is hereby amended to read as follows:

24.08.1360 REPLACEMENT HOUSING REQUIREMENTS.

Development projects shall comply with the requirements of this section as well as those contained in California State law governing replacement housing units, including but not limited to Government Code Sections 65583.2, 65915(c), 66300.5, and 66300.6. For each provision of the regulations, when both this code and the California Government Code apply, the stricter of the two provisions shall be applied to the project.

1. Replacement housing must be provided by the applicant when demolition or conversion of use of three or more dwelling units or single-room occupancy living units occupied by households of low or moderate income occurs. Replacement requirements shall be based on the total number of bedrooms contained within all low- or moderate-income units to be demolished or converted.
 - a. The basic requirement is that fifty percent of all low- or moderate-income bedrooms demolished or converted shall be replaced either on site, or elsewhere in the city of Santa Cruz, or a combination of both.
 - b. Inclusionary rental units located on the same site may also be counted as replacement units, utilizing the more restrictive income and rent requirements for these units. Off-site rental or ownership inclusionary units shall not be used to fulfill replacement unit requirements.
 - c. In the R-T Districts, one hundred percent of all low- or moderate-income bedrooms demolished or converted shall be replaced either on site, or elsewhere in the city of Santa Cruz, or a combination of both.
 - d. In the commercial C Districts, one hundred percent of all low- or moderate-income bedrooms demolished or converted shall be replaced either on site, or elsewhere in the city of Santa Cruz, or a combination of both.
 - e. The basic fifty percent bedroom replacement requirement represents a determination of financial feasibility: that being, a greater percentage would render most projects

economically infeasible. In the R-T Districts, however, due to greater allowable densities, the one hundred percent bedroom replacement requirement is determined to be feasible. In the C Districts, due to greater allowable use intensities resulting from the possibility to do both commercial and residential development without one reducing the other, the one hundred percent bedroom replacement requirement is determined to be feasible.

Section 12. Section 24.08.1362 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Advance Replacement Housing Proposal is hereby amended to read as follows:

24.08.1362 ADVANCE REPLACEMENT HOUSING PROPOSAL.

Replacement housing as required in Section 24.08.1360 may be provided in advance of actual demolition of a structure, except as otherwise required by state law. Conditions for the advance replacement shall be set forth in an advance replacement housing proposal approved as part of a demolition/authorization permit or separate development agreement. Conditions for advance replacement shall address:

1. Procedure to notify and offer advance housing to existing tenants of the structure to be demolished or converted.
2. Project timetable and identification of future project(s) that advance replacement housing will be credited toward.

Section 13. Section 24.08.1370 of Chapter 24.08 of the Santa Cruz Municipal Code regarding In-Lieu Fees is hereby amended to read as follows:

24.08.1370 IN-LIEU FEES.

1. As an alternative to fulfilling the replacement housing requirements of Section 24.08.1360 or 24.08.1362, and except as limited by state law, in-lieu fees can be paid for up to twenty-five percent in the R-T Districts and up to fifty percent in other districts of the total number of low- or moderate-income bedrooms to be provided to meet the replacement housing requirement. The remaining seventy-five percent or fifty percent bedroom replacement requirement shall be actually constructed or caused to be constructed by the applicant. However, where replacement housing is being required due to the provisions of Section 24.08.1330(5), pertaining to demolition or conversion of single-family and duplex units, in-lieu fees may be paid to meet one hundred percent of the replacement housing requirement.
2. The in-lieu fees shall be applied to programs that would add to the affordable housing stock through the construction of new housing units or the rehabilitation of existing housing units that were previously substandard and uninhabited or occupied by above-moderate income households. In-lieu fees shall not be used for administration of such programs.
3. Replacement housing in-lieu fees shall be determined in the same manner as inclusionary housing in-lieu fees. For purposes of determining unit sizes, the average number of bedrooms per unit shall be used. For purposes of determining the average number of square feet in a unit, the average square footage for those units shall be used up to a maximum square footage as follows: six hundred fifty square feet for a single room occupancy unit, studio, or one-bedroom

unit; nine hundred square feet for a two-bedroom unit; one thousand four hundred square feet for a three- to eight-bedroom unit.

4. Replacement housing built with in-lieu fees shall, in aggregate, provide the same level of housing as would otherwise have been required, and shall be provided and available for use within three years from the date upon which work commenced on the conversion or demolition, or if no new or rehabilitated units are available within three years, units shall be provided in the first available affordable housing project that is constructed in the city.

Section 14. Section 24.08.1380 of Chapter 24.08 of the Santa Cruz Municipal Code regarding Exception is hereby amended to read as follows:

24.08.1380 EXCEPTION.

This part shall not apply to any building when the building official or fire marshal determines that the building is dangerous to the health and safety of the building occupants, neighbors, or the public, and that the demolition of the building is required because of such health and safety concerns. The building official or the fire marshal shall set forth in writing the reasons for their determination that the building is dangerous to the health and safety of the building occupants, neighbors, or the public. However, this exception shall not apply if the dangerous health and safety condition(s) are the result of lack of maintenance of the building. This section has no impact on the relocation assistance requirements stipulated in Title 21 or on relocation assistance, replacement housing, and right of first refusal requirements under California state law, including but not limited to Government Code Sections 65583.2, 65915(c), 66300.5, and 66300.6, as amended.

Section 15. The City Council finds and determines that the adoption of this ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) as a project that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Section 16. 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.

Section 17. This ordinance shall take effect and be in full force thirty (30) days after final adoption.

ORDINANCE NO. 2025-23

APPROVED FOR PUBLICATION this 18th day of November 2025, by the following vote:

AYES: Councilmembers Trigueiro, Brunner, Newsome, Golder, O'Hara; Vice Mayor Kalantari-Johnson; Mayor Keeley.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

APPROVED FOR FINAL ADOPTION this 9th day of December 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2025-23 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

Bonnie Bush, City Clerk Administrator