

ORDINANCE NO. 2026-02

AN ORDINANCE OF THE CITY OF SANTA CRUZ AMENDING SANTA CRUZ MUNICIPAL CODE CHAPTER 24.16 PART 2 – ACCESSORY DWELLING UNITS, TO MAINTAIN CONSISTENCY WITH STATE REGULATIONS FOR ACCESSORY DWELLING UNITS AND TO CLARIFY EXISTING REGULATIONS. (CEQA: EXEMPT PURSUANT TO PUBLIC RESOURCES CODE SECTION 21080.17 AS AN ORDINANCE TO IMPLEMENT ACCESSORY DWELLING UNIT STATE LAW AND 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.)

WHEREAS, accessory dwelling units contribute needed housing to the community's housing stock and provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others within existing neighborhoods, and homeowners who create accessory dwelling units may benefit from added income and an increased sense of security; and

WHEREAS, on October 10, 2025, SB 543 (McNerney) was signed into law, making changes to requirements for permitting timelines, fire sprinklers, fees, and unit size measurement for accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs); and

WHEREAS, on October 10, 2025, AB 1154 (Carrillo) was signed into law, making changes to requirements for owner occupancy and rental terms for JADUs; and

WHEREAS, on October 10, 2025, AB 462 (Lowenthal) was signed into law, making changes to requirements for processing timelines and appeals for Coastal Development Permits for ADUs; and

WHEREAS, amendments to municipal code requirements related to accessory dwelling units are needed to maintain consistency with state law; and

WHEREAS, at its January 15, 2026 meeting, the Santa Cruz Planning Commission reviewed the proposed additions and modifications to 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; and

WHEREAS, at its January 15, 2026 meeting, the Santa Cruz Planning Commission passed a motion that recommended the City Council approve the proposed amendments as well as any additional changes needed to comply with state ADU law; and

WHEREAS, the amendments to the Santa Cruz Municipal Code are needed to ensure consistency with state ADU law, and therefore pursuant to Public Resources Code Section 21080.17, no further environmental review under the California Environmental Quality Act (CEQA) is required; and

WHEREAS, the amendments can be seen with certainty to have no possibility for causing a significant effect on the environment, and, therefore, pursuant to California Code of Regulations, Title 14, section 15183 of the CEQA Guidelines, no further environmental review under CEQA is required.

BE IT ORDAINED By the City of Santa Cruz as follows:

Section 1. Section 24.16.100 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Purpose is hereby amended to read as follows:

24.16.100 PURPOSE.

The ordinance codified in this part provides for accessory dwelling units in certain areas and on lots developed or proposed to be developed with single- or multifamily dwellings. Such accessory dwellings are allowed because they can contribute needed housing to the community's housing stock. Accessory dwelling units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others within existing neighborhoods, and homeowners who create accessory dwelling units may benefit from added income and an increased sense of security.

In addition, the ordinance codified in this part provides a mechanism to grant legal status to existing illegally constructed accessory dwelling units in single-family neighborhoods. By encouraging legalization, safe dwellings may be added to the city's existing housing supply. Accessory dwelling units and junior accessory dwelling units are considered dwelling units for the purposes of meeting the city's regional housing needs assessment allocation and for the purposes of replacement housing and relocation assistance requirements.

Thus, it is found that accessory dwelling units are a residential use that is consistent with the General Plan objectives and zoning regulations and that enhances housing opportunities throughout the city of Santa Cruz. To ensure that accessory dwelling units will conform to General Plan policy, the following regulations are established. If changes to state law result in any conflict with the following regulations, state law shall supersede the conflicting part(s) of these regulations.

Section 2. Section 24.16.125 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Definitions is hereby amended to read as follows:

24.16.125 DEFINITIONS.

The following definitions shall apply to accessory dwelling units throughout the municipal code:

1. "Attached accessory dwelling unit" shall mean an accessory dwelling unit that is attached to the primary dwelling, including to an attached garage.
2. "Conversion accessory dwelling unit" shall mean any accessory dwelling unit created by the conversion of any one permitted, entitled, or legal nonconforming building, or portion of such a building. The conversion accessory dwelling unit may either be converted utilizing the existing structural components of the building or reconstructed within the existing three-dimensional physical space occupied by the building. On property developed with multi-unit

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buildings, only areas that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages, shall be eligible to become conversion accessory dwelling units. The limitation on converting non-livable space shall not apply to a nonconforming duplex on a single-family zoned lot where one unit is converted to an accessory dwelling unit to result in a single-family home and accessory dwelling unit on the site. Consistent with zoning standards, conversion accessory dwelling units shall be permitted to expand the existing footprint of the building by up to one hundred fifty square feet, and the existing height by up to two feet.

3. “Detached accessory dwelling unit” shall mean an accessory dwelling unit that is separated from any single- or multi-unit building.
4. “Livable space” shall mean a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.
5. “Multi-unit building” shall mean a building with two or more attached dwellings on a single lot, including apartment or condominium buildings that contain at least two units. Accessory dwelling units do not count toward the number of units in this calculation.
6. “New construction accessory dwelling unit” shall mean any accessory dwelling unit that includes new construction and that does not meet the definition and requirements for a conversion accessory dwelling unit.
7. “Nonexempt accessory dwelling unit” shall mean an accessory dwelling unit that does not meet the definition of a statewide exemption accessory dwelling unit.
8. “Primary dwelling” shall mean the dwelling unit with which the accessory dwelling unit or junior accessory dwelling unit is associated.
9. “Single-unit building” shall mean a structurally independent building that contains one dwelling unit. A single-unit building may be the only building on the lot, such as a single-family home or a townhome, or it may be a detached residential condominium or apartment unit on a lot with one or more other dwellings that are not attached to the single-unit building. Accessory dwelling units do not count toward the number of units in this calculation.
10. “Statewide exemption accessory dwelling unit” shall mean an accessory dwelling unit that conforms to any of the following subsections (9)(a) through (e). None of the standards in Section 24.16.141 or 24.16.142 shall apply to a statewide exemption accessory dwelling unit.
 - a. One accessory dwelling unit per lot with a proposed or existing single-unit building, including a single-family dwelling, townhome, or a detached residential condominium or apartment unit on a lot with multiple single-unit buildings, if all of the following apply:
 - i. The accessory dwelling unit is within the space of a proposed single-unit building or it is within the space of an existing single-unit building or detached accessory building. This type of statewide exemption accessory dwelling unit does not include a building

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- reconstructed within the three-dimensional space of an existing building to be demolished.
- ii. If the accessory dwelling unit is within the space of an existing detached accessory building, the accessory dwelling unit may include an expansion of not more than 150 square feet beyond the same physical dimensions as the existing accessory building. An expansion beyond the physical dimensions of the existing building shall be limited to accommodating ingress and egress.
 - iii. The accessory dwelling unit has an exterior entrance separate from that of the primary dwelling unit.
 - iv. If the unit is converted within a building with legal nonconforming setbacks, the side and rear setbacks are sufficient for fire and safety.
- b. One detached, new construction accessory dwelling unit that meets the following standards:
- i. The accessory dwelling unit shall be located on a lot with a proposed or existing single-unit building, including a single-family dwelling, townhome, or a detached residential condominium or apartment unit on a site with multiple single-unit buildings.
 - ii. The accessory dwelling unit size shall not exceed eight hundred square feet of livable space.
 - iii. Interior side yard and rear yard setbacks shall be at least four feet.
 - iv. The accessory dwelling unit shall meet one of the following height limitations as measured to the roof peak:
 1. A height of sixteen feet; or
 2. A height of eighteen feet if the accessory dwelling unit is on a lot within one-half of one mile walking distance of a major transit stop or a high-quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code. This height can be increased an additional two feet to twenty feet to accommodate a roof pitch on the accessory dwelling unit that is aligned with the roof pitch of the primary dwelling unit.
- c. Multiple accessory dwelling units within the portions of existing multi-unit buildings, including a residential condominium or apartment building with two or more attached units, that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each unit complies with state building standards for dwellings. The number of accessory dwelling units permitted is equivalent to up to twenty-five percent of the number of existing, legally permitted units in the multi-unit building, or one, whichever is greater. When the twenty-five percent limit results in a

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fraction of a unit, the total number of accessory dwelling units that may be added shall be determined by rounding the fraction up to the next whole number.

- d. Multiple detached accessory dwelling units that are located on a lot with a multi-unit building, including a residential condominium or apartment building with two or more attached units, and that are either new construction or are converted from space within an existing building not used as livable space and detached from the multi-unit building. Accessory dwelling units shall meet the following standards:
 - i. The number of permitted detached accessory dwelling units equals:
 1. On a lot with an existing multi-unit building, not more than eight detached accessory dwelling units. However, the number of accessory dwelling units allowable pursuant to this clause shall not exceed the number of existing units on the lot.
 2. On a lot with a proposed multi-unit building, not more than two detached accessory dwelling units.
 - ii. Rear and interior side yard setbacks shall be at least four feet. If the existing multi-unit building has a rear or interior side yard setback of less than four feet, the existing multi-unit building will not be required to be modified to meet this setback.
 - iii. The accessory dwelling units shall meet one of the following height limitations as measured to the roof peak:
 1. A height of sixteen feet; or
 2. A height of eighteen feet if the accessory dwelling unit is on a lot within one-half of one mile walking distance of a major transit stop or a high-quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code. This height can be increased an additional two feet to twenty feet to accommodate a roof pitch on the accessory dwelling unit that is aligned with the roof pitch of the primary dwelling unit; or
 3. A height of eighteen feet for a detached accessory dwelling unit on a lot with an existing or proposed multi-unit, multistory building.
- e. One junior accessory dwelling unit per lot zoned to allow single-family dwellings and with a proposed or existing single-unit building, including a single-family dwelling, townhome, or detached residential condominium or apartment unit on a lot with multiple detached single-unit dwellings. The junior accessory dwelling unit shall comply with the requirements of Section 24.16.170.

Section 3. Section 24.16.130 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Permit Procedures is hereby amended to read as follows:

24.16.130 PERMIT PROCEDURES.

1. Accessory dwelling units shall be principally permitted uses within the zoning districts specified in Section 24.16.120 and subject to the development standards in Section 24.16.140 et seq., except that statewide exemption accessory dwelling units shall not be subject to the standards in Sections 24.16.141 and 24.16.142.
2. Completeness determination.
 - a. Within fifteen business days after the City receives an application to create or serve an accessory dwelling unit or junior accessory dwelling unit, the City shall determine whether the application is complete and provide written notice of that determination to the applicant.
 - b. Incomplete Applications. If the City determines the application is incomplete, the City shall provide, with the written notice, (1) a list of incomplete items and (2) a description of how the application can be made complete. After the applicant resubmits, the City shall not require any item that was not included in the City's list of incomplete items.
 - c. Deemed complete. If the City does not make a timely determination as required above, the application or resubmitted application shall be deemed complete for purposes of the time periods in this section.
3. City shall issue a ministerial building permit for an accessory dwelling unit or junior accessory dwelling unit without discretionary review or a hearing, consistent with the provisions of this chapter and state law, within sixty days of submittal of a complete building permit application, unless provided otherwise. The sixty-day review period shall not apply when:
 - a. The permit application to create an accessory dwelling unit or junior accessory dwelling unit requires simultaneous approval of a discretionary or building permit associated with creating a new single-unit or multi-unit building on the same lot or parcel. The City may delay approving or denying the building permit application for the accessory dwelling unit or the junior accessory dwelling unit until the City approves or denies the permit application to create the new single-unit or multi-unit building; or
 - b. When the applicant seeks a delay for any reason, including but not limited to pursuit of a discretionary permit pursuant to subsection (9). The period of the delay shall not count toward the sixty-day time period.
4. If the City denies an application to create an accessory dwelling unit or junior accessory dwelling unit, the City must provide the applicant with comments that include, among other things, a list of all defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant in accordance with the sixty-day time period set forth in subsection (2).

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5. If a permit application is determined to be incomplete under subsection (2) or denied under subsection (4), the applicant may appeal that decision in writing to the City planning commission pursuant to the requirements of Sections 24.04.182 and 24.04.183. Appeals on a determination made by the building official and/or fire marshal shall first be made to the board of building and fire appeals pursuant to Chapter 18.41, the decision of which may subsequently be appealed to the City planning commission. The City shall provide a final written determination by not later than 60 business days after receipt of the applicant's written appeal. A determination by the board of building and fire appeals or the City planning commission shall not be appealable to the City Council.
6. Construction of an accessory dwelling unit shall not constitute a Group R occupancy change under the local building code, except as specified under state law. Construction of an accessory dwelling unit or junior accessory dwelling unit shall not trigger a requirement for fire sprinklers to be installed in the existing single-unit or multi-unit building.
7. The City shall not require, as a condition for ministerial approval of a permit application for the creation of an accessory dwelling unit or a junior accessory dwelling unit, the correction of nonconforming zoning conditions, building code violations, or unpermitted structures unless they present a threat to public health and safety and are affected by the construction of the accessory dwelling unit.
8. The City shall not deny a building permit for an unpermitted accessory dwelling unit or unpermitted junior accessory dwelling unit that was constructed before January 1, 2020, due to noncompliance with any requirement of this part.
9. The City shall not require, and the applicant shall not be otherwise required, to provide written notice or post a placard for the demolition of a detached garage that is to be replaced with an accessory dwelling unit, unless the property is located within an architecturally and historically significant historic district.
10. An accessory dwelling unit replacing a detached garage shall receive review and issuance of a demolition permit concurrently with the review and issuance of the permit for the accessory dwelling unit.
11. To promote flexibility in siting of accessory dwelling units, nothing in this Part shall prohibit an applicant from pursuing a discretionary permit or review to construct an accessory dwelling unit on a lot that has a buildable area for at least eight hundred square feet of interior livable space with at least four foot side and rear yard setbacks for an attached or detached accessory dwelling unit with application of all site development standards or waivers as provided in Section 24.16.141 but where the applicant chooses to place the accessory dwelling unit in a location that does not meet such standards or waivers.

Section 4. Section 24.16.140 of Chapter 24.16 of the Santa Cruz Municipal Code regarding General Development Standards is hereby amended to read as follows:

24.16.140 GENERAL DEVELOPMENT STANDARDS.

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All accessory dwelling units, both new construction and conversion, shall conform to the following requirements:

1. Number of Accessory Dwelling Units per Parcel.
 - a. For parcels including a proposed or existing single-unit building, including a single-family home, townhome, or multiple detached dwellings, but not including any multifamily structures: One nonexempt accessory dwelling unit shall be allowed on each lot in addition to any statewide exemption accessory dwelling units. Each lot may also include a junior accessory dwelling unit conforming to the standards set forth in Section 24.16.170.
 - b. For lots developed with one or more multi-unit buildings, including an apartment or condominium building with two or more dwelling units: no nonexempt accessory dwelling units shall be allowed. The number of statewide exemption accessory dwelling units allowed on each lot equals:
 - i. For units converted from areas not used as livable space within an existing multi-unit building , as defined in Section 24.16.125.10.c: at least one conversion accessory dwelling unit. Up to twenty-five percent of the number of existing dwellings in the multi-unit building may be added as conversion accessory dwelling units. When the twenty-five percent limit results in a fraction of a unit, the total number of accessory dwelling units that may be added shall be determined by rounding the fraction up to the next whole number.
 - ii. For units detached from a multi-unit building, including new construction or conversion from areas not used as livable space, as defined in Section 24.16.125.10.d:
 1. On a lot with an existing multi-unit building, not more than eight detached accessory dwelling units. However, the number of accessory dwelling units allowable pursuant to this clause shall not exceed the number of existing units on the lot.
 2. On a lot with a proposed multi-unit building, not more than two detached accessory dwelling units.
2. Existing Development on Lot. One of the following conditions must be present in order to approve an application to create an accessory dwelling unit:
 - a. One or more single-unit buildings, as defined in Section 24.16.125.9, exists on the lot or will be constructed concurrently and in conjunction with the accessory dwelling unit;
 - b. Consistent with the provisions of Sections 24.16.125.10.c and 24.16.125.10.d, the lot contains an existing multi-unit building, as defined in Section 24.16.125.5, or a proposed multi-unit building that will be constructed concurrently and in conjunction with the accessory dwelling unit.

3. **Building Code Requirements.** The accessory dwelling unit shall meet the requirements of the California Building Standards Code, including the alternative means and methods section as prescribed therein.
4. **Large Home Design Permit.** The square footage of an accessory dwelling unit shall not be counted with the square footage of the single-family home in determining whether a large home design permit is required. The square footage of a junior accessory dwelling unit shall be counted with the square footage of the single-family home in determining whether a large home design permit is required.
5. **Accessory dwelling units in the coastal zone shall conform to the standards in Section 24.12.140.2.**

Section 5. Section 24.16.141 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Site Development Standards for Nonexempt Accessory Dwelling Units is hereby amended to read as follows:

24.16.141 SITE DEVELOPMENT STANDARDS FOR NONEXEMPT ACCESSORY DWELLING UNITS.

Despite any directly conflicting zone district site development standards, all nonexempt accessory dwelling units shall comply with the following site development standards. All other zone district site development standards not listed here shall apply to nonexempt accessory dwelling units. Neither the standards in this section nor any zone district site development standards shall apply to statewide exemption accessory dwelling units.

1. General.

Development Standard	Attached	Conversion^{1,2}	Detached
Maximum Square Feet ³	Interior livable space the greatest of: <ul style="list-style-type: none"> • 850 for a studio or one bedroom. • 1,000 for a unit with two or more bedrooms. • 50% of the habitable area of the primary dwelling to which the unit is attached. 	Footprint of existing building. Can expand footprint by 150. ^{4,5}	Interior livable space the greatest of: <ul style="list-style-type: none"> • 850 for a studio or one bedroom. • 1,000 for a unit with two or more bedrooms. • 10% net lot area and no more than 1,200 square feet.
Maximum Height (feet) ⁶	Zone district standard that applies to primary dwelling.	Maintain existing, or expand up to lesser of 2' or standard for new construction accessory dwelling unit. ⁷	• 16' to roof peak if less than 4' from side/rear property line.

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Development Standard	Attached	Conversion^{1,2}	Detached
			<ul style="list-style-type: none"> • 22' to roof peak if 4' or more from side/rear property line.
Minimum Front Setback (feet)	Zone district standard that applies to primary dwelling.	Maintain existing. Any expansion shall meet new construction standard.	Lesser of: <ul style="list-style-type: none"> • Front wall line of primary building, excluding any projections from that line. • Zone district standard.
Minimum Rear Setback (feet)	4'	Maintain existing. Any expansion shall meet new construction standard.	3' for up to 16' height. 4' above 16' height.
Minimum Exterior Side Yard Setback	Zone district standard that applies to primary dwelling.	Maintain existing. Any expansion shall meet new construction standard.	Zone district standard.
Minimum Interior Side Yard Setback	4' ⁸	Maintain existing. Any expansion shall meet new construction standard.	3' for up to 16' height. 4' above 16' height.
Minimum Distance Between Buildings	6'	Maintain existing. 6' for any expansion.	6'

1. Conversion accessory dwelling units may occupy the three-dimensional space, including setbacks, lot coverage, and height, of the building to be converted or reconstructed, regardless of conformance to current zoning standards.
2. A conversion accessory dwelling unit with any expansion in excess of the above thresholds shall be reviewed as a new construction accessory dwelling unit, including assessment of any required fees.
3. Stairways that provide access to accessory dwelling units do not count toward the interior livable space of an accessory dwelling unit when the stairs are not part of the conditioned space, the stairs do not include any other rooms or room-like areas that would function as interior livable space for the accessory dwelling unit, and there is a fire-rated entry door at the top of the stairs at the entrance to the accessory dwelling unit.
4. An expansion of up to one hundred fifty square feet shall not enlarge the accessory dwelling unit beyond one thousand two hundred square feet unless necessary to accommodate ingress and egress to the accessory dwelling unit.

Development Standard	Attached	Conversion^{1,2}	Detached
<p>5. Expansions detached from the primary dwelling shall meet height and setback requirements for a new construction detached accessory dwelling unit. Expansions attached to the primary dwelling shall meet height and setback requirements for new construction attached dwelling units. Expansions of either type on a substandard lot shall be consistent with substandard lot development standards described in subsection (7).</p>			
<p>6. If the design of the building in which the primary dwelling is located has special roof features that should be matched on the detached accessory dwelling unit to enhance design compatibility, the maximum allowed building height of the accessory dwelling unit may be exceeded in order to include such similar special roof features, subject to review and approval of the zoning administrator as part of the review of the building permit application.</p>			
<p>7. Existing and resulting roof height are measured to the roof peak. Other portions of the roof may expand more than two feet if their resulting height is the same or lower than the resulting roof peak.</p>			
<p>8. Any zone development standard for an additional setback based on building height or stories shall not apply to the portion of the building that contains the accessory dwelling unit.</p>			

2. **Parking.** No off-street parking shall be required for any accessory dwelling unit outside of the Coastal Zone. Any parking spaces, covered or uncovered, removed in order to create an accessory dwelling unit shall not be required to be replaced outside the Coastal Zone. For properties within the Coastal Zone, parking requirements are contained in Section 24.12.240(1).
3. **Rear Yard Lot Coverage.** In no case shall any accessory dwelling unit be limited in size based on rear yard lot coverage requirements contained in Section 24.12.140(1)(f). In the application of Section 24.12.140(1)(f), the footprint of accessory dwelling units shall not count toward the maximum allowable lot coverage by accessory buildings in yard setback areas.
4. **Projections.** An accessory dwelling unit that meets the standard zone district setbacks shall be permitted to include projections as described in Section 24.12.120(1). An accessory dwelling unit, or portion thereof, that does not meet standard zone district setbacks but meets standard setbacks for new construction accessory dwelling units shall be permitted to include architectural features such as cornices, canopies, eaves, and sills that project into the setback two and one-half feet. A conversion accessory dwelling unit, or portion thereof, that does not meet standard setbacks for new construction accessory dwelling units shall not contain any new projections beyond any already present on the existing wall.
5. If a new construction detached accessory dwelling unit is attached to a non-habitable accessory use within the same building, then the portion of the building containing the non-habitable use shall meet the site development standards for non-habitable accessory buildings as described in Section 24.12.140. A garage may have interior access to an accessory dwelling unit, but no other non-habitable accessory use within the same building shall have interior access to the accessory dwelling unit.

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6. Clear corner triangle and clear vision area. Any new construction accessory dwelling unit or expansion of a conversion accessory dwelling unit shall be located outside of the clear corner triangle, as defined in Section 24.22.202, and the clear vision area, as defined in Section 24.22.206.
7. Substandard Lots. When a new construction accessory dwelling unit is proposed on a substandard residential lot, as defined in Section 24.22.520, that contains a single-family residential use, the following design standards shall apply:
 - a. The maximum allowable lot coverage for all structures shall be forty-five percent, except that lot coverage shall be waived to the extent that it physically precludes the construction of the accessory dwelling unit up to eight hundred square feet of interior livable space. The lot coverage of the accessory dwelling unit shall not be included in the calculation of all other structures' maximum allowable lot coverage. Lot coverage shall include the footprints of the first floor, garage and other accessory buildings (attached and detached), decks and porches (greater than thirty inches in height and not cantilevered), and any second-story cantilevered projection (enclosed or open) beyond two and one-half feet. Decks under thirty inches in height or fully cantilevered with no vertical support posts do not count toward lot coverage for this purpose. Second-story enclosed cantilevered areas that project less than thirty inches from the building wall do not count toward lot coverage. For such areas that project more than thirty inches from the building wall, only the floor area that projects more than thirty inches shall be counted toward lot coverage.
 - b. The floor area of a building's second story shall be limited to one hundred percent of the floor area of the building's first story if the floor area of the building's first story constitutes thirty percent or less lot coverage.
 - c. The floor area of a building's second story shall not exceed fifty percent of the floor area of the building's first story if the building's first story has greater than thirty percent lot coverage up to a maximum of forty-five percent lot coverage.
 - d. The floor area of a building's second story shall be limited to fifty percent of forty-five percent lot coverage if the building's first story has greater than forty-five percent lot coverage.
8. Archaeological Resources. The application shall be consistent with all objective standards relating to the preservation of archaeological resources pursuant to Section 24.12.430.
9. Distance from Natural Features. Any new construction accessory dwelling unit or expansion of a conversion accessory dwelling unit shall be consistent with the following standards for distance from natural features:
 - a. The accessory dwelling unit shall not be constructed within any watercourse setback designated within the City-Wide Creeks and Wetlands Management Plan that does not allow for construction of an accessory dwelling unit by right, as implemented by Section 24.08.2100 et seq.

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- b. If the site or an adjacent lot contains a wetland or potential wetland as shown in the Citywide Creeks and Wetlands Management Plan, the accessory dwelling unit shall be located at a distance from the wetland as recommend in a report prepared by a professional biologist with a background in wetland biology.
 - c. The accessory dwelling unit shall not be constructed within twenty feet of a thirty percent or greater slope.
 - d. The accessory dwelling unit and any related construction and site work shall be located away from a heritage tree, or any street tree growing in the public right-of-way protected under Chapter 13.30, the greatest distance of: ten feet, or three times the diameter of the tree's largest trunk at fifty-four inches above grade, or the dripline of the tree.
 - e. When the project site includes an area mapped for sensitive habitat or vegetation under the general plan, the accessory dwelling unit and related site work shall be located at a distance from such habitat or vegetation area as determined in a report prepared pursuant to Section 24.14.080 by a professional biologist with a background in sensitive habitat biology.
10. If the application of all site development standards results in a buildable area that physically precludes the creation of any attached or detached accessory dwelling unit of up to eight hundred square feet of interior livable space with at least four foot interior side and rear yard setbacks, then the applicant may waive any one or more of the following site development standards only to the extent that it increases the buildable area to allow such an accessory dwelling unit:
- a. Percentage of primary dwelling, and/or
 - b. Lot coverage, and/or
 - c. Floor area ratio, and/or
 - d. Open space, and/or
 - e. Front setbacks.

Section 6. Section 24.16.142 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Nonexempt Accessory Dwelling Unit Design Standards is hereby amended to read as follows:

24.16.142 NONEXEMPT ACCESSORY DWELLING UNIT DESIGN STANDARDS.

Nonexempt accessory dwelling units shall comply with the following design standards. These standards shall not apply to statewide exemption accessory dwelling units.

- 1. Municipal Code Requirements. All nonexempt accessory dwelling units shall meet the objective design standards set forth in this code, including landscape and tree removal and/or replacement requirements.

2. The following standards apply to nonexempt accessory dwelling units that do not meet one or more of the standard setbacks for the zone district in which they are proposed:
 - a. All entrances to the accessory dwelling unit, access stairs, and second story decks shall not be located on the side of the building facing the setback that is less than the zone district standard unless such that side of the building adjacent to an alley or a public street.
 - b. When an accessory dwelling unit is adjacent to an alley or a public street, the accessory dwelling unit shall be oriented toward the alley or street with the front access door and windows facing the alley or street. The entry facing the alley or street shall include a minimum of twelve square feet of flat, unenclosed, covered area, which may be a projection from the building, or inset, or a combination of the two.
 - c. Windows that do not meet the standard zone district side or rear setback and that face an adjoining residential property shall be designed to obscure views of that property by accessory dwelling unit occupants, including transom windows, translucent glass, or other methods; alternatively, fencing or landscaping shall be required to provide screening.
3. **Connections Between Units.** Nonexempt accessory dwelling units shall not create access between units except a connection between the accessory dwelling unit and the primary dwelling via common access to a shared garage, laundry room, or storage area; provided that each unit meets the definition of dwelling unit found in Section 24.22.320.
4. The application to construct a nonexempt accessory dwelling unit on a property that is designated as a historic resource by the National Register of Historic Places, the state of California, or by the City, including any property that has been determined to be eligible for the city's historic building survey list but the property owner has elected to not list the property (opt-out), shall show substantial compliance with the guidelines of the Secretary of the Interior for development on such properties as confirmed in a report prepared by a professional historic consultant who is listed on the department of planning and community development's approved consultant list.

Section 7. Section 24.16.160 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Zoning Incentives is hereby amended to read as follows:

24.16.160 ZONING INCENTIVES.

The following incentives are to encourage construction of accessory dwelling units:

1. **Affordability Requirements for Fee Waivers.** Accessory dwelling units proposed to be rented at affordable rents, as established by the City, may have development fees waived per Part 4 of this chapter. Existing dwelling units shall be relieved of the affordability requirement upon payment of fees in the amount previously waived plus the difference between that amount and the fees in effect at the time of repayment.

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2. Front or Exterior Yard Parking. Three parking spaces may be provided in the front or exterior yard setback under this incentive with the parking design subject to approval of the zoning administrator. The maximum impervious surfaces devoted to the parking area shall be no greater than the existing driveway surfaces at time of application. Not more than fifty percent of the front yard width shall be allowed to be parking area.
3. Tandem Parking. For a parcel with a permitted accessory dwelling unit, required parking spaces for the primary single-family dwelling and the accessory dwelling unit may be provided in tandem on a driveway. A tandem arrangement consists of one car behind the other. No more than three total cars in tandem may be counted towards meeting the parking requirement.

Section 8. Section 24.16.165 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Separate Sale of Accessory Dwelling Units is hereby amended to read as follows:

24.16.165 SEPARATE SALE OF ACCESSORY DWELLING UNITS.

1. This section implements Government Code Section 66342, enacted by Assembly Bill 1033 (Ting). The purpose of this section is to apply objective local development standards for subdivisions covered by Government Code Section 66342 and is applicable only so long as Government Code Section 66342 is operative. Where this section or Government Code Section 66342 conflicts with any other provisions of the municipal code, this section and Government Code Section 66342 shall control. Any development standard or requirement not specifically addressed by this section or Government Code Section 66342 must conform to all other provisions of the municipal code and all other objective policies and requirements governing subdivisions.
2. Condominium parcels for the separate conveyance of one or more accessory dwelling unit(s) and their associated primary dwelling unit may be created on lots with single-unit buildings, and condominium parcels for the separate conveyance of one or more accessory dwelling unit(s) may be created on lots with multi-unit buildings, and such condominium parcels shall be approved only as provided by this section.
3. Creation of condominium parcels for five or more accessory dwelling units shall require approval of a tentative map and final map consistent with the requirements of Title 23.
4. Creation of four or fewer condominium parcels for accessory dwelling units and associated primary dwellings shall require approval of a parcel map consistent with the requirements of Title 23.
5. Units mapped under the provisions of this section shall not be required to comply with the community housing project requirements under Section 24.12.180, except:
 - a. Each accessory dwelling unit or primary dwelling unit proposed for new construction concurrently with condominium mapping shall meet the open space requirement pursuant to Section 24.12.180.3 unless waived pursuant to Section 24.16.141.10.d; and

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- b. Each new construction accessory dwelling unit or new construction primary dwelling unit shall provide a minimum of two hundred cubic feet of enclosed storage space within the project capable of being secured by lock or other means for each unit, in addition to kitchen cupboards or clothes and linen closets, consistent with Section 24.12.180(4).
6. No off-street parking beyond that required by Section 24.16.141.2 shall be required for any accessory dwelling unit mapped as a condominium.
7. Accessory dwelling units and associated primary dwelling units mapped as condominiums pursuant to this section shall meet the inclusionary dwelling unit requirements under Section 24.16.020.
8. When no more than four condominium units are created from the conversion of existing accessory dwelling units and associated primary dwellings, the following shall apply:
 - a. The units may be converted to condominiums regardless of the multifamily housing vacancy rate consistent with Section 23.37.020.1.
 - b. Tenants displaced shall retain a first right of refusal if the unit is offered to sale to the general public consistent with Section 23.37.050(g).
 - c. Relocation assistance in the amount of four months' rent shall be provided to tenants of low or moderate income who have resided in the unit within two years prior to the date of submission of the application for the conversion of the unit(s) consistent with Section 23.37.050(h).
9. Consistent with Government Code Section 66341, an accessory dwelling unit shall be approved with a condominium lot for separate conveyance pursuant to the following:
 - a. The condominiums shall be created pursuant to the Davis-Stirling Common Interest Development Act (Part 5 (commencing with Section 4000) of Division 4 of the Civil Code).
 - b. The condominiums shall be created in conformance with all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410)) and all applicable objective requirements of Title 23, the Subdivision Ordinance.
 - c. Before recordation of the condominium plan, a safety inspection of the accessory dwelling unit shall be conducted as evidenced either through a certificate of occupancy from the City or a housing quality standards report from a building inspector certified by the United States Department of Housing and Urban Development.
 - d. Neither a subdivision map nor a condominium plan shall be recorded with the county recorder in the county where the real property is located without each lienholder's consent. The following shall apply to the consent of a lienholder:
 - i. A lienholder may refuse to give consent.

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- ii. A lienholder may consent provided that any terms and conditions required by the lienholder are satisfied.
- e. Prior to recordation of the initial or any subsequent modifications to the condominium plan, written evidence of the lienholder's consent shall be provided to the county recorder along with a signed statement from each lienholder that states as follows:

(Name of lienholder) hereby consents to the recording of this condominium plan in their sole and absolute discretion and the borrower has or will satisfy any additional terms and conditions the lienholder may have.
- f. The lienholder's consent shall be included on the condominium plan or a separate form attached to the condominium plan that includes the following information:
 - i. The lienholder's signature.
 - ii. The name of the record owner or ground lessee.
 - iii. The legal description of the real property.
 - iv. The identities of all parties with an interest in the real property as reflected in the real property records.
 - v. The lienholder's consent shall be recorded in the office of the county recorder of the county in which the real property is located.
- g. The City shall include the following notice to consumers on any accessory dwelling or junior accessory dwelling unit submittal checklist or public information issued describing requirements and permitting for accessory dwelling units, including as standard condition of any accessory dwelling unit building permit or condominium plan approval:

NOTICE: If you are considering establishing your primary dwelling unit and accessory dwelling unit as a condominium, please ensure that your building permitting agency allows this practice. If you decide to establish your primary dwelling unit and accessory dwelling unit as a condominium, your condominium plan or any future modifications to the condominium plan must be recorded with the County Recorder. Prior to recordation or modification of your subdivision map and condominium plan, any lienholder with a lien on your title must provide a form of written consent either on the condominium plan, or on the lienholder's consent form attached to the condominium plan, with text that clearly states that the lender approves recordation of the condominium plan and that you have satisfied their terms and conditions, if any.

In order to secure lender consent, you may be required to follow additional lender requirements, which may include, but are not limited to, one or more of the following:

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(a) Paying off your current lender. You may pay off your mortgage and any liens through a refinance or a new loan. Be aware that refinancing or using a new loan may result in changes to your interest rate or tax basis. Also, be aware that any subsequent modification to your subdivision map or condominium plan must also be consented to by your lender, which consent may be denied.

(b) Securing your lender's approval of a modification to their loan collateral due to the change of your current property legal description into one or more condominium parcels.

(c) Securing your lender's consent to the details of any construction loan or ground lease. This may include a copy of the improvement contract entered in good faith with a licensed contractor, evidence that the record owner or ground lessee has the funds to complete the work, and a signed statement made by the record owner or ground lessor that the information in the consent above is true and correct.

h. If an accessory dwelling unit is established as a condominium, the homeowner shall notify providers of utilities, including water, sewer, gas, and electricity, of the condominium creation and separate conveyance.

i. The owner of a property or a separate interest within an existing planned development that has an existing association, as defined in Section 4080 of the Civil Code, shall not record a condominium plan to create a common interest development under Section 4100 of the Civil Code without the express written authorization by the existing association. For purposes of this section, written authorization by the existing association means approval by the board at a duly noticed board meeting, as defined in Section 4090 of the Civil Code, and if needed pursuant to the existing association's governing documents, membership approval of the existing association.

10. Nothing in this section shall prohibit approval of an accessory dwelling with a condominium lot for separate conveyance pursuant to Government Code Sections 66340 through 66341.

Section 9. Section 24.16.170 of Chapter 24.16 of the Santa Cruz Municipal Code regarding Junior Accessory Dwelling Units is hereby amended to read as follows:

24.16.170 JUNIOR ACCESSORY DWELLING UNITS.

1. Notwithstanding any other regulation or definition of this code, one junior accessory dwelling unit shall be permitted per lot in zones where single-family dwellings are an allowed use, including in the R-S, R-1, R-L, R-M, R-H, R-T(A), R-T(B), R-T(C), R-T(D), R-T(E), and P-A zones; where one or more single-unit buildings, including a single-family home, townhome, or a detached condominium or apartment on a site with multiple units, exist or are proposed on the lot. Where multiple detached single-unit condominium buildings exist on a lot, the underlying lot shall have no more than one junior accessory dwelling unit.
2. For the purposes of this section, "junior accessory dwelling unit" shall have the same meaning as defined in Section 66313 of the California Government Code.

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3. Junior accessory dwelling units shall be attached to a single-unit building and may be created in any part of an existing or proposed single-unit building, including in an attached garage. For purposes of this section, a “proposed single-unit building” shall mean the resulting building including the junior accessory dwelling unit, regardless of whether portions of the building already exist, and shall therefore include any new single-unit building or a single-unit building resulting from an addition to an existing single-unit building.
4. The junior accessory shall meet the same zoning district site development standards that apply to the primary dwelling.
5. Junior accessory dwelling units shall be no larger than five hundred square feet of interior livable space in size.
6. Junior accessory dwelling units shall contain, at a minimum, the following features:
 - a. An exterior entrance separate from that of the primary dwelling.
 - b. A cooking facility with appliances.
 - c. A food preparation counter and storage cabinets of reasonable size in relation to the size of the junior accessory dwelling unit.
7. Junior accessory dwelling units may include separate sanitation facilities or may share sanitation facilities with the primary dwelling. Where sanitation facilities are shared with the primary dwelling, the junior accessory dwelling unit shall have access to the primary dwelling through internal circulation and shall not be required to exit the building in order to reach the entrance to the primary dwelling.
8. If the junior accessory dwelling unit has shared sanitation facilities with the primary dwelling, the property owner shall occupy either the junior accessory dwelling unit or the primary dwelling to which the junior accessory dwelling unit is attached as his or her principal place of residence. Owner occupancy shall not be required if the junior accessory dwelling unit has separate sanitation facilities, or if the owner is another governmental agency, land trust, or housing organization.
 - a. For purposes of this section, the property owner is:
 - i. The majority owner(s) of the property as shown in the most recent Santa Cruz County records.
 - ii. If there is more than one property owner of record, the owner with the majority or highest ownership interest in the property shall be deemed the property owner. Any property owner(s) of record holding an equal share interest in the property may be deemed the majority property owner(s) if no other property owner owns a greater interest.

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- iii. For property held by a corporation or business entity, a shareholder or officer of the corporation or business entity with the greatest shares or business interest as defined in the articles of incorporation, or other applicable business document.
 - iv. For property held in trust: (a) the trustor(s) or settlor(s) who created the trust in which the property is held; or any person(s) or entity deemed as the legal owner of the property held in trust in accordance with the trust document, and (b) who has/have the highest ownership interest in the property.
9. Before obtaining a building permit for a junior accessory dwelling unit, the property owner shall file with the county recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the present owner and including:
- a. A prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single-unit building, including a statement that the deed restriction may be enforced against future purchasers.
 - b. A restriction on the size and attributes of the junior accessory dwelling unit that conforms with the standards in this section.
 - c. A requirement that the rental of the junior accessory dwelling unit be for a term longer than 30 days.

Section 10. The City Council finds and determines that the adoption of this ordinance is considered a “project” under California Code of Regulations, Title 14, section 15378(a)(1) of the California Environmental Quality Act (CEQA) Guidelines, typically subject to environmental review. The City Council finds that these amendments to the Santa Cruz Municipal Code are needed to ensure consistency with state ADU law, and therefore pursuant to Public Resources Code Section 21080.17, no further environmental review under the California Environmental Quality Act (CEQA) is required; and these amendments can be seen with certainty to have no possibility for causing a significant effect on the environment, and, therefore, pursuant to California Code of Regulations, Title 14, section 15183 of the CEQA Guidelines, no further environmental review under CEQA is required.

Section 11. 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 12. This ordinance shall take effect and be in full force thirty (30) days after final adoption.

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PASSED FOR PUBLICATION this 10th day of February 2026, by the following vote:

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

NOES: None.

ABSENT: Councilmember Trigueiro.

DISQUALIFIED: None.

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

PASSED FOR FINAL ADOPTION this 24th day of February 2026 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. 2026-02 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

Bonnie Bush, City Clerk Administrator