



CITY OF SANTA CRUZ  
**Notice of Exemption**

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, Planning and Community Development Department  
809 Center Street, Room 101, Santa Cruz, CA 95060

**Project Title:** The Cruz Hotel

**Project Address:** 302, 310, 314, 324, 326, and 328 Front Street

**Assessor's Parcel No.:** 005-151-48, -43, -29, -51, -35, and -34

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

**Project Description:** The project consists of a Coastal Permit, Non-Residential Demolition Authorization Permit, Design Permit, Boundary Line Adjustment, Special Use Permit, Revocable License for an Outdoor Extension Area, and Heritage Tree Removal Permit, to demolish a commercial building, combine five parcels, and construct a six-story, 232-room hotel with ground floor retail, banquet and conference space, restaurant, and bar. The proposed Boundary Line Adjustment would combine five existing parcels into one parcel to support the proposed hotel. The project requires approval of a Section 408 Letter of Permission from the U.S. Army Corps of Engineers (USACE) to allow for the placement of fill between the levee and the proposed building and to allow for the development of an outdoor extension area adjacent to the Santa Cruz Riverwalk multi-use path.

**Name of Person or Agency Carrying Out Project:** SCFS Venture, LLC

**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) pursuant to CEQA Guidelines Sections 15305 (Categorical Exemption, Class 5, Minor Alterations in Land Use Limitations) and 15332 (Categorical Exemption, Class 32, Infill Development Projects) as explained below.

CEQA provides several “categorical exemptions” which are applicable to categories of projects and activities that the Natural Resource Agency has determined generally do not pose a risk of significant impacts on the environment.

The Class 5 categorical exemption is for “minor alterations in land use limitations.” Examples provided in the State CEQA Guidelines include minor lot line adjustments and side yard and setback variances, not resulting in the creation of any new parcel. The project includes a Boundary Line Adjustment to combine five existing parcels into one parcel to support the hotel, which would not create a new parcel, but would result in one parcel instead of the five parcels that already exist. Furthermore, the project site is relatively flat with average slopes substantially less than 20% and would not result in any changes in land use or density, consistent with the requirements for this categorical exemption class.

The Class 32 categorical exemption is for “infill development” projects that meet the following criteria:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;
- (c) The project site has no value as habitat for endangered, rare or threatened species;
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and
- (e) The site can be adequately served by all required utilities and public services.

The proposed project meets all of the foregoing criteria to claim the application of the infill exemption because, as explained in a CEQA Categorical Exemption Review Memo, the project is consistent with the *General Plan 2030* land use designation and policies. City staff review has found the project consistent with zoning designations and regulations. Therefore, the project is consistent with the General Plan and zoning pursuant to subdivision (a) of section 15332.

The project site is located within City limits, is currently developed, and is substantially surrounded by existing developed uses that are considered urban uses in the downtown area. The City meets definition of an urbanized area in the CEQA Guidelines as explained in the Categorical Exemption Review memo. The project site is 1.1 acres with proposed offsite improvements, which is less than the maximum five acres as required for this exemption under subdivision (b) of section 15332.

The project site is currently developed and surrounded by development. The project site is not located within mapped areas of potential sensitive habitat as depicted in the City’s *General Plan* on maps developed for the City’s *General Plan 2030* and included in the General Plan EIR, but is adjacent to sensitive riparian habitat along the San Lorenzo River. The project site is completely developed and does not contain sensitive or other habitat. The project complies and exceeds the required riparian setback established in the *City-wide Creeks and Wetlands Management Plan* that is intended to protect sensitive resources from indirect impacts that may result from adjacent development. Therefore, the project site has no value as habitat for rare, threatened, or endangered species under subdivision (c) of section 15332.

The project would not result in significant impacts related to traffic, noise, air quality or water quality, as explained in the CEQA Categorical Exemption Review Memo and supporting technical studies. The project therefore meets the criteria set forth in subdivision (d) of section 15332 as summarized below. The project would not result in significant impacts related to traffic-transportation based on transportation reviews and review with the City's adopted Vehicle Miles Traveled (VMT) threshold and Implementation Guidelines because the project's customer base would be existing users in the area, and the project would not induce new demand or net increases in VMT. No significant impacts related to noise would result from project operations or construction as determined in a noise assessment study. Air emissions modeling found that neither project construction nor operation would exceed adopted criteria air pollutant emissions thresholds, and the project would not result in conflicts with the Monterey Bay Air Resources District's adopted *Air Quality Management Plan*. The project is consistent with City regulations and requirements regarding stormwater management for construction and operation, and the project would not result in significant impacts to water quality.

The site can be adequately served by all required utilities and public services, as existing utility infrastructure already serves the project area as explained in in the Categorical Exemption Review Memo, thus meeting the criteria in subdivision (e) of section 15332.

The City has further considered whether the project is subject to any of the exceptions to the use of a categorical exemption found at CEQA Guidelines Section 15300.2. This section prohibits the use of categorical exemptions under the following circumstances:

- (a) for certain classes of categorical exemptions (including Class 5 but not Class 32), due to locations with particularly sensitive environmental conditions;
- (b) when the cumulative impact of successive projects of the same type in the same place, over time, is significant;
- (c) where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances;
- (d) where the project may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway;
- (e) where the project is located on a state designated hazardous waste site; and
- (f) where the project may cause a substantial adverse change in the significance of a historical resource.

Under CEQA Guidelines Section 15300.2(a), a categorical exemption for Classes 3, 4, 5, 6 and 11 is qualified by consideration of where the project is located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. The consideration includes where the project may impact an environmental resource of "hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies." Section 15300.2(a) does not apply to the Class 32 category of projects.

For purposes of the Class 5 exemption, the project site does not qualify as an environmental resource of hazardous or critical concern. Neither the City's *General Plan 2030* nor the *Downtown Plan*, or any state or federal regulatory document has precisely mapped and officially designated the site as such an environmental resource. Absent such a formal designation, the location

exception cannot apply. (See, e.g., *Aptos Residents Assn. v. County of Santa Cruz* (2018) 20 Cal.App.5th 1039, 1052-1053; *Don't Cell Our Parks v. City of San Diego* (2018) 21 Cal.App.5th 338, 362-363.) Moreover, the site is already developed and has already been previously disturbed. Therefore, the Class 5 category of projects as applied to the project is not excluded on the basis of location on a site with particularly sensitive environmental conditions.

As explained in the CEQA Categorical Exemption Review memo, there is no evidence of a potential significant cumulative impact (section 15300.2(b)) because successive projects of the same type in the same place have are not proposed, and no significant cumulative impacts have been identified as result from other projects in the same place or in the vicinity of the project. Additionally, there is no evidence to conclude that significant impacts would occur based on past project approvals in the surrounding area or that the proposed project's impacts are cumulatively considerable when evaluating any cumulative impacts associated with air quality, noise, transportation or water quality or cumulative impacts evaluated in the General Plan 2030 EIR and Downtown Plan Amendments EIR as a result of other approved projects in the surrounding area. Therefore, this exception does not apply to the project.

The project would not result in any significant effects on the environment due to unusual circumstances (section 15300.2(c)). The project site's immediate area has similar General Plan and zoning designations as the project property. As explained in the CEQA Categorical Exemption Review memo, there are no "unusual circumstances" that differentiate the project and project site from the general class of similarly situated projects and project sites. For example, other properties in the surrounding area have developed or could develop a similar project in terms of size and density, and there are other infill development sites in the vicinity that have been redeveloped or approved for infill development. The project does not include uses that would be considered unusual in the downtown area, and the requested additional building height is consistent with requirements of the Downtown Plan, and there are other existing, approved, and under construction projects with similar or greater heights than the project.

The project site possesses no unusual features or environmental characteristics that distinguish it from other properties of similar size in the downtown area and along the San Lorenzo River. The project site is located within an urban area, surrounded by development, and sensitive resources are not present as explained in the CEQA Categorical Exemption Review Memo prepared for the project. Additionally, there is no substantial evidence that the project would result in a significant impact based on project reviews and technical studies conducted for the project as reviewed and explained in the CEQA Categorical Exemption Review Memo. For these reasons, the project would not result in any significant effects on the environment due to unusual circumstances, and exception (c) does not apply to the project.

The project would not result in damage to scenic resources within a scenic highway (section 15300.2(d)), as the site is not adjacent to or visible from a designated scenic highway. There are no designated state scenic highways within the City, and the project is not adjacent to the highways located in the City. Therefore, the project site is not located within or near a highway officially designated as a state scenic highway and would not result in damage to scenic resources within a state scenic highway. Thus, this exception does not apply to the project.

The site is not a state-designated hazardous waste site, and thus is not subject to the exception set forth in subdivision (e) of section 15300.2.

The existing building on the project site was constructed in 1978, and is not of the age to be further evaluated as a potential historical resource, i.e., 50 years or older. No significant cultural materials, prehistoric or historic were identified in an archaeological review conducted for the project. There is no evidence of historical archaeological resources on the project site. Therefore, the project, including demolition of existing buildings, would not result in a substantial adverse change to the significance of a historic resource. The project is not subject to the exception set forth in subdivision (f) of section 15300.2.

For all of these reasons, the City is able to document that the project qualifies for the Categorical Exemption found at CEQA Guidelines sections 15305 and 15332 for minor alterations in land use limitations and infill development projects, respectively, and that none of the potential exceptions to the use of a categorical exemption, as set forth in CEQA Guidelines section 15300.2, apply to this project or the project site.

**Lead Agency**

**Contact Person:** Ryan Bane

**Phone:** (831) 420-5247

**Department:** Planning & Community Development

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

**Signature:**                     Ry - B                    

**Date:**                     3/28/24                    

**Title:** Senior Planner

- Signed by Lead Agency  
 Signed by Applicant

**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:**



SOURCE: USGS 7.5-minute Series Santa Cruz Quadrangle



**FIGURE 1**  
**Project Location**  
 The Cruz Hotel CEQA Review