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ZONING CLEARANCE

Frequently Asked Questions

The City of Santa Cruz appreciates and values its excellent working relationship with the business community. Each business in the City is required to obtain a business license. Prior to receiving a business license, all businesses operating within the City are required to obtain an Occupancy Permit called a “Zoning Clearance” from the Planning Department.

1. What is a Zoning Clearance?

The Zoning Clearance is the procedure the City uses to determine whether a business meets the zoning requirements for a particular location and to approve the establishment of the business use at that location. Section 24.04.188 of the City of Santa Cruz Municipal Code grants the Planning Department the authority to require this type of clearance for nonresidential uses. The Zoning Clearance is a one-time clearance with a one-time fee to establish a business at a specific location.

2. Why does the City require a Zoning Clearance?

The Zoning Clearance process gives the Planning Department an opportunity to verify that a proposed land use is allowed in the applicable zoning district and that the use complies with the development standards of the Zoning Ordinance. When a Zoning Clearance is requested, a staff planner reviews the business description and location and determines if the proposed use is principally permitted, subject to a Use Permit, or prohibited. The planner also reviews the proposed use for consistency with previous permits that may have been issued on the property.

The city lands are comprised of a variety of residential, commercial, and industrial zoning districts. Each zoning district allows for a specific set of land uses that fall into one of the following categories:

- Principal Permitted Uses. These uses are allowed by right within the zoning district with approval of a Zoning Clearance and a business license.
- Conditionally Permitted Uses. These uses are allowed within the zoning district with approval of a Use Permit by the Zoning Administrator or Planning Commission at a public hearing. The purpose of a Use Permit is to allow for more in-depth review of intensive uses that may have impacts on neighboring uses, such as a nightclub or an auto body repair shop. A Use Permit allows the City and decision-making body, with input from the public, to stipulate conditions of approval regarding the future operations of the proposed use. These conditions ensure that the business operates in a manner that protects the public health, safety, and welfare. Once the Use Permit is approved, a Zoning Clearance and business license can be obtained.
- Prohibited Uses. These uses are specifically not allowed within the zoning district. Neither a Zoning Clearance nor a business license can be granted.

3. What type of Zoning Clearance do I need?

There are several types of Zoning Clearances. The cost of the Zoning Clearance depends on the type of use as follows:

- **\$273 - New Use.** This fee applies to a new use that falls under a different land use classification than the most recent approved use at a location in a commercial or industrial zoning district. For example, if a new restaurant opens in a space that was formerly occupied by a professional office, this fee would apply.
- **\$69 - Same Use.** This fee applies to a business with the same use as the previously approved business at that location. One example is a new restaurant that locates in a space where the previous business was also a restaurant with an approved Zoning Clearance. This fee also applies to an independent contractor that will operate within an established business that has an approved Zoning Clearance for the same use classification. For example, a hair stylist who works as an independent contractor in an established hair salon must obtain a separate Same Use Zoning Clearance.
- **\$69 - Change of Ownership.** This fee applies to an existing established business with an approved Zoning Clearance that changes owners. The business operations and land use classification will remain the same, but the business name may change. If the original business never received a Zoning Clearance, the New Use fee will apply.
- **\$137 - Home Occupation.** This fee applies to any business that operates out of a residential location. This Zoning Clearance allows the City to review the use and confirm that it is consistent with the Home Occupation regulations, which allow for a certain amount of commercial activity without disrupting the quality of life and character of residential neighborhoods.
- **\$0 – Approved Use Permit.** A business with a conditionally permitted use must obtain a Use Permit that can cost between \$1,700 and \$2,700. After the business obtains the Use Permit, it must obtain a no-cost Zoning Clearance to present to the Finance Department in order to obtain a business license. If a business receives a Use Permit for something other than the primary activity at the site (e.g., alcohol service in conjunction with a restaurant, parking reduction), then a full-price Zoning Clearance would be required.

4. How do I obtain a Zoning Clearance?

To obtain a Zoning Clearance, visit the public planning counter at the Planning Department. We are located at 809 Center Street, Room 206, and our hours are Monday through Thursday, 7:30a.m. – 12p.m. and 1p.m. – 3p.m. The planner at the counter will review the Zoning Clearance request and help you complete the Zoning Clearance form. The planning counter cashier will process your payment transaction and will give you a copy of the approved Zoning Clearance. Acceptable payment methods include cash, check, Visa, or MasterCard.

5. What do I do after I obtain the Zoning Clearance?

The planning counter cashier can process your business license application concurrently with your Zoning Clearance payment.