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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 also required to obtain an Occupancy Permit from the Planning Department called a “Zoning Clearance.”

### 1. What is a Zoning Clearance?

Prior to starting a business at any residential, commercial, or industrial location, you must first obtain a Zoning Clearance from the Planning Department. The Zoning Clearance is a one-page form that provides the City with information about the business and location. The Zoning Clearance is the procedure the City uses to “clear the zoning” of a proposed use at a particular location. Section 24.04.188 of the City of Santa Cruz Municipal Code below grants the Planning Department the authority to require this type of clearance for nonresidential uses. The Zoning Clearance is a one-time clearance for a particular use at a specific location. Unlike the business license fee, which is paid annually, the Zoning Clearance runs with the land and is only paid once prior to establishing the use.

### 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 Code. 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 broken down into a variety of residential, commercial, and industrial zoning districts. Each zone 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 are uses that are specifically not allowed within the zoning district. Neither a Zoning Clearance nor a business license can be granted.

### 3. What is the fee for the Zoning Clearance?

Zoning Clearance fees are commensurate with the costs incurred to cover the average staff review and processing time for each type of Zoning Clearance. The cost of the Zoning Clearance depends on the type of use as follows:

- **\$321 - New Use.** This fee applies to a new use within a commercial or industrial zoning district that falls under a different land use classification than the most recent use at that location. For example, if a new restaurant opens in a space that was formerly occupied by a professional office, this fee would apply. The New Use Zoning Clearance fee also applies to a new use that will be located where the former use at that location did not obtain a Zoning Clearance, even if the new use falls under the same land use classification as the former use. For example, if a new restaurant wants to open where there was previously a restaurant that never obtained a Zoning Clearance, this fee would apply.
- **\$56 - Same Use.** This fee applies to a new use that will replace a use that falls under the same land use classification as the previously approved use at that location. For example, a new restaurant will locate in a space where there was formerly a restaurant with an approved Zoning Clearance. This fee also applies to any person that will operate within an established business that has an approved Zoning Clearance for the same use classification. For example, a massage practitioner, therapist, attorney, or hair stylist who will share an office or space within an established business must obtain a separate Same Use Zoning Clearance.
- **\$56 - 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.
- **\$221 - Home Occupation.** This fee applies to any proposed business that will operate out of a residential location. The purpose of the home occupation regulations is to allow for a certain amount of commercial activity without disrupting the quality of life and character of residential neighborhoods. The Zoning Clearance allows the City to review the use and confirm that it is consistent with the Home Occupation regulations. The fee covers approximately two hours of staff time as home occupations vary in scope and complexity, similar to new commercial and industrial uses. The Fire Department is routed a copy of the approved Zoning Clearance, and \$36 of the \$221 covers their review time.
- **\$0 – Approved Use Permit.** For businesses that require a Use Permit, the cost to process the application is between approximately \$1,500 and \$2,300. If a business receives approval of a Use Permit for a new use, the business owner must also obtain a “no cost” Zoning Clearance. This Zoning Clearance is needed to transmit to Finance to demonstrate that the use has been cleared prior to issuance of 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-priced Zoning Clearance would be required.

Acceptable payment methods include cash, check, Visa, or MasterCard.

#### **4. How do I obtain a Zoning Clearance?**

To obtain a Zoning Clearance, visit the Planning Department between the hours of 7:30 and noon, Monday through Thursday. The Planning Department is located at 809 Center Street, Room 206. If you would like to obtain your business license at the same time as the Zoning Clearance, it is best to come in to the Planning Department at close to 9:00 a.m. as the Finance Department is located in the same building but does not open until 9:00 a.m. When you arrive at the Planning Department, sign in for the Planning Counter and wait for the on-duty planner to become available. The planner will review the Zoning Clearance request and complete the form with you at the counter. Once you have paid the fee, the planner will give you a receipt and copy of the Zoning Clearance form to bring to the Finance Department.

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

Once you receive the Zoning Clearance, you will need to obtain a business license from the Finance Department. The Finance Department is located in the same building as the Planning Department in Room 101. The Finance Department business hours are 9:00 a.m. to 5:00 p.m., Monday through Thursday.