
Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

From: (Public Agency): City of Santa Cruz
809 Center Street, Rm 10
Santa Cruz, CA. 95060

County Clerk
County of: Santa Cruz

Project Title: Ordinances Related to Protections Against On-Shore Support Facilities for Off-Shore Oil and Gas or Deep-Sea Mining or Exploration

Project Applicant: City of Santa Cruz

Project Location - Specific: Citywide

Project Location - City: Santa Cruz Project Location – County: Santa Cruz

Description of Nature, Purpose and Beneficiaries of Project:

The project consists of two ordinances (2026-12 and 2026-13) amending the Santa Cruz Municipal Code (SCMC) and the City's Local Coastal Program. Ordinance 2026-13 would add Section 24.06.093 to Chapter 24.06 – Zoning Map and Text Amendments and amend Sections 24.06.090 and 24.10.1620. These changes would add protections against on-shore facilities supporting off-shore oil and gas drilling and deep-sea mining and exploration. Ordinance 2026-12 would amend SCMC Section 24.10.1525, which is part of the City's Local Coastal Program Implementation Plan, to extend existing land-use prohibitions to on-shore facilities supporting deep-sea mining and exploration. In addition, the ordinances add science-backed findings related to the ecological, public health, economic, and climate impacts related to oil and gas drilling and deep-sea mining and exploration.

The two ordinances make the following changes to the SCMC:

- Add definitions of related terms for clarity and specificity within the municipal code;
- Update the existing requirement that any zoning change to accommodate on-shore support facilities for off-shore oil and gas drilling be subject to a vote of the people to also require that any zoning change to accommodate on-shore support facilities for deep-sea mining and exploration be subject to a vote of the people; and
- Add prohibitions against on-shore support facilities for deep-sea mining, in addition to the existing prohibitions against on-shore support facilities for off-shore oil and gas drilling, to the City's General Industrial and General Industrial/Performance Districts.

Name of Public Agency Approving Project: City of Santa Cruz

Name of Person or Agency Carrying Out Project: City of Santa Cruz

Exempt Status: (check one):

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

☒ Categorical Exemption. State type and section number: Class 7 Exemption (14 CCR § 15307) – Actions by Regulatory Agencies for Protection of Natural Resources, Class 8 Exemption (14 CCR § 15308) – Actions by Regulatory Agencies for Protection of the Environment, and the Common Sense Exemption (14 CCR § 15061(b)(3))

☐ Statutory Exemptions. State code number:

Reasons why project is exempt:

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. This project qualifies for, and relies upon three distinct categorical exemptions:

Class 7 Exemption (14 CCR § 15307):

Applies to actions taken by regulatory agencies, authorized by state law or local ordinance, to assure the maintenance, restoration, or enhancement of a natural resources where the regulatory process involves procedures for protection of the environment.

On-shore facilities supporting off-shore oil and gas drilling and deep-sea mining and exploration pose significant threats to natural resources that are essential to the City of Santa Cruz (City). The four miles of coastline within the boundaries of the City are a precious natural resource that provide important ecological, recreational and scenic benefits.

The City is located on the shores of the Monterey Bay National Marine Sanctuary, which is home to diverse biological resources, including deep-sea canyons, kelp forests, marine terraces, coastal bluffs, sandy beaches, and riparian zones, which in turn support numerous protected species. Protected and special species found in the Monterey Bay Area include marine mammals such as blue whales, humpback whales and southern sea otters, and sea and shore birds such as marbled murrelets and western snowy plovers. Kelp forests, for example, provide important habitat for marine mammals and other animals while also helping to prevent coastal erosion. In recent years, numerous environmental factors have caused the decline of kelp forests off the coast of California, including in the Monterey Bay (Mohn & DeVogelaere, 2025). Kelp forests help promote biodiversity by maintaining a healthy, nutrient rich water column. The positive relationship between healthy kelp forests and sea otter populations is well-documented (Estes & Duggins, 1995). Oil spills are known to have devastating impacts on sea otters, both for the immediate populations and future generations in an affected area. Allowing on-shore support facilities in Santa Cruz could directly destroy this important habitat by negatively impacting sea otter populations in the event of an oil spill and indirectly affect the ecosystem’s long-term health through broader ecological damage caused by disruptions to the balance between otter population and kelp forest health. On-shore support facilities for oil and gas drilling and deep-sea mining and exploration, and the off-shore activities that accompany them pose a significant threat to these fragile marine and coastal resources. On-shore support facilities such as pipelines, tankers, and tailing ponds located within the coastal zone threaten oil spills, leakages, or other marine contamination associated with oil and gas and deep-sea mining and exploration activities that would endanger these sensitive biological resources. By adding protections against on-shore support facilities, the project aims to ensure maintenance of these natural resources.

The City’s coastline is highly scenic, and these scenic resources are central to its coastal character. The City’s General Plan 2030 Environmental Impact Report specifies that the City’s coastline and beaches and the San Lorenzo River are key natural features that contribute significantly to the City’s aesthetic and visual character. Visual landmarks located within the City’s coastal zone include the Walton Lighthouse, the Santa Cruz Beach Boardwalk, municipal wharf and Lighthouse Field State Beach. On-shore support facilities for off-shore oil and gas drilling and deep-sea mining and exploration sited within the City’s coastal zone could have a substantial adverse impact on these visual landmarks and on the scenic vistas afforded to the Monterey Bay. These on-shore support facilities could detract from the natural scenic resources provided by the City’s coastline and impede recreational access to coastal areas. Oil spills, leakages and other marine contamination associated with on-shore facilities could pollute these scenic resources and restrict public access and enjoyment. The project

takes steps to prevent the disruption of the City's scenic resources and aesthetic qualities and preserve access to the coast by adding protections against on-shore support facilities.

The project, which adds protections against on-shore support facilities for oil and gas and deep-sea mining and exploration within the City helps ensure the maintenance of coastal and marine natural resources in the City and its surrounding areas by removing the threat of oil spills, leakages and other contamination associated with oil and gas drilling and deep-sea mining and exploration.

Class 8 Exemption (14 CCR § 15308):

Applies to actions taken by regulatory agencies, authorized by state law or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment.

The City is located on the shores of the Monterey Bay National Marine Sanctuary, which is home to diverse biological resources, including deep-sea canyons, kelp forests, marine terraces, coastal bluffs, sandy beaches, and riparian zones, which in turn support numerous protected species. Protected and special species found in the Monterey Bay Area include marine mammals such as blue whales, humpback whales and southern sea otters, and sea and shore birds such as marbled murrelets and western snowy plovers. Kelp forests, for example, provide important habitat for marine mammals and other animals while also helping to prevent coastal erosion. In recent years, numerous environmental factors have caused the decline of kelp forests off the coast of California, including in the Monterey Bay (Mohn & DeVogelaere, 2025). Kelp forests help promote biodiversity by maintaining a healthy, nutrient rich water column. The positive relationship between healthy kelp forests and sea otter populations is well-documented (Estes & Duggins, 1995). Oil spills are known to have devastating impacts on sea otters, both for the immediate populations and future generations in an affected area. Allowing on-shore support facilities in Santa Cruz could directly destroy this important habitat by negatively impacting sea otter populations in the event of an oil spill and indirectly affect the ecosystem's long-term health through broader ecological damage caused by disruptions to the balance between otter population and kelp forest health. On-shore support facilities for oil and gas drilling and deep-sea mining and exploration, and the off-shore activities that accompany them pose a significant threat to these fragile marine and coastal environments. On-shore support facilities such as pipelines, tankers, and tailing ponds located within the coastal zone threaten oil spills, leakages, or other marine contamination associated with oil and gas and deep-sea mining and exploration activities that would endanger these sensitive ecosystems. By adding protections against on-shore support facilities, the project aims to ensure protection of the environment.

The City's coastline is highly scenic, and these scenic resources are central to its coastal character. The City's General Plan 2030 Environmental Impact Report specifies that the City's coastline and beaches and the San Lorenzo River are key natural features that contribute significantly to the City's aesthetic and visual character. Visual landmarks located within the City's coastal zone include the Walton Lighthouse, the Santa Cruz Beach Boardwalk, municipal wharf and Lighthouse Field State Beach. On-shore support facilities for off-shore oil and gas drilling and deep-sea mining and exploration sited within the City's coastal zone could have a substantial adverse impact on these visual landmarks and on the scenic vistas afforded to the Monterey Bay. These on-shore support facilities could detract from the natural scenic environment provided by the City's coastline and impede recreational access to coastal areas. Oil spills, leakages and other marine contamination associated with on-shore facilities could pollute these scenic environments and restrict public access and enjoyment. The project takes steps to prevent the disruption of the City's scenic environments and aesthetic qualities and preserve access to the coast by adding protections against on-shore support facilities.

On-shore support facilities for oil and gas drilling and deep-sea mining and exploration can have negative impacts on air quality. On-shore support facilities can emit and transport hazardous and toxic air pollutants, such as benzene, toluene, ethylbenzene, and xylene, particulate matter, hydrogen sulfide, carbon monoxide and nitrogen and sulfur oxides, which are known to cause adverse health impacts. By adding protections against on-shore support facilities, the project aims to ensure protection of the environment by preserving the existing air quality in Santa Cruz.

On-shore support facilities for deep-sea mining also have the potential to produce radioactive waste and dust. Scientific studies have revealed that polymetallic nodules contain high concentrations of radioactive materials. During processing, as nodules are crushed, small particles may be distributed into the air, posing radiological hazards to human health. Furthermore, residual products from mining slurry—a mixture of seawater, sediment, and nodule fines—also pose significant risk if discharged back into the ocean. Radioactive particles may be ingested by marine organisms, introducing radiation into the food web that may be ingested by people. These public health risks are especially concerning given the limited regulatory frameworks and scientific understanding governing radioactive byproducts from deep-sea mining operations. By adding protections against on-shore support facilities, the project aims to ensure protection of the environment by preventing the release of hazardous materials.

On-shore support facilities are also potential contributors to groundwater and surface water pollution. For example, some facilities use deep-injection wells to dispose of wastewater that may contain oil residuals, chemicals, and other hazardous waste, which can contaminate aquifers and groundwater. By adding protections against on-shore support facilities, the project aims to ensure protection of the environment by preventing the contamination of ground and surface water.

On-shore support facilities can also lead to noise pollution. Noisy helicopter and commercial street traffic to and from on-shore support facilities could lead to a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project. Additionally, heavy commercial street traffic would result in excessive ground borne vibration. Increased noise and vibration levels could negatively impact nesting birds along the city's coastline, other sensitive species, and Santa Cruz residents. By adding protections against on-shore support facilities, the project aims to ensure protection of the environment by preventing the increase of noise and vibration levels.

None of the Exceptions to the Class 7 or Class 8 Categorical Exemptions (14 CCR § 15300.2) apply since there is no expected cumulative impact from protecting against new on-shore facilities as the action would simply maintain the status quo, there are no unusual circumstances related to prohibiting on-shore facilities that would create a significant effect on the environment, prohibiting new on-shore facilities would not impact any scenic highway, the prohibition of on-shore facilities would not affect hazardous waste sites, and the prohibition would not cause a substantial adverse change in any historical resource.

Common Sense Exemption (14 CCR § 15061(b)(3)):

Section 15601(b)(3) describes the "common sense" exemption: "CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

The project is exempt under the Common Sense Exemption as it can be seen with certainty that protecting against on-shore facilities related to off-shore oil and gas drilling and deep-sea mining and exploration will maintain the status quo in terms of the existing uses in the city, and there is no possibility of a significant negative effect on the environment. Therefore, the Common Sense Exemption also applies to the project.

References

Estes, J. A., & Duggins, D. O. (1995). Sea Otters and Kelp Forests in Alaska: Generality and Variation in a Community Ecological Paradigm. Ecological Monographs.

Mohn, L., & DeVogelaere, A. (2025). Monterey Bay National Marine Sanctuary Iconic Kelp Action Plan. National Oceanic and Atmospheric Administration, Office of National Marine Sanctuaries. NOAA.

Lead Agency

Contact Person: Tiffany Wise-West

Area Code/Telephone/Extension: 831-420-5433

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

Signature: Tiffany Wise-West Date: 6/23/26 Title: Sustainability and Resiliency Officer

☒ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.

Date Received for filing at OPR: _____

Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.