

**NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND
NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

*California Housing Finance Agency
500 Capitol Mall, Suite 1400, MS 990
Sacramento, CA 95814*

*City of Santa Cruz
337 Locust Street
Santa Cruz, CA 95060*

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the California Housing Finance Agency (CalHFA) and the City of Santa Cruz, California.

REQUEST FOR RELEASE OF FUNDS

On or about November 21, 2024, the California Housing Finance Agency (CalHFA) and the City of Santa Cruz will each submit requests to the U.S. Department of Housing and Urban Development (HUD) for the release of federal funds. CalHFA will submit a request to HUD for \$36,000,000 in funds from Housing Finance Agency Risk-sharing: Section YHC-542(c) program as authorized by the Housing and Community Development Act of 1992 (12 U.S.C. 1707) and Section 235 of HUD's FY 2001 Appropriation Act, Public Law 106-377, as amended; and the City of Santa Cruz will authorize the Santa Cruz Housing Authority to submit a request to HUD for the release of 64 Section 8 Project-Based Vouchers under Section 8(o)(13) of the U.S. Housing Act of 1937 (42 U.S.C. 1437f(o)(13)), to undertake a project known as 831 Water Street for the purpose of constructing a 140-unit affordable housing community. The project is the proposed new construction of a 140-unit Low Income Housing Tax Credit (LIHTC) development located at 823, 825, 827, 831 and 833 Water Street, Santa Cruz, Santa Cruz County, California 95348. 139 of the 140 units will be affordable housing with the remaining unit an unsubsidized managers unit. There will be four (4) units at 120% of Area Median Income with the remaining 135 units targeted to households at incomes between 30% and 80% of AMI. 64 units are anticipated to be provided at 30, 40 and 50 percent of AMI and will operate with Project-based Vouchers (PBV), and tenants in these units will pay 30 percent of their income towards rent, with 16 units targeting renters with physical, sensory, or developmental disabilities; four units targeting homeless youths with disabilities; and 15 units targeting homeless veterans. The remaining 29 units with PBV will target a general tenancy. To support all modes of transportation and throughout the site, there will be 42 residential parking spaces, and 144 residential bicycle spaces. Parking is unbundled and will be provided below the residential and commercial units. The project is along a major transit corridor with 5 bus routes. Some of the community amenities planned include: wi-fi connectivity and free use for residents; an amenity center equipped with computers and other learning center media; rooftop deck space; onsite laundry facilities; and wellness programs. 831 Water St's sustainable features include modular construction, rooftop rainwater recycling, solar panels, and secured ample biking parking. The proposed design qualifies for the GreenTRIP Certification.

Insight Housing (formerly known as Berkeley Food and Housing Program) will be providing onsite services to the residents. Services include case management, peer support activities, mental health care, substance use services, benefits counseling & advocacy, education services, employment services, and others.

The Request for Release of Funds will include the following HUD funding sources/amounts: for CalHFA - HUD Risk Sharing loan \$36,000,000; CalHFA Mixed Income Program: \$4,000,000; for the City of Santa Cruz on behalf of the Housing Authority – 64 Project-Based Vouchers with a current estimated

value of \$24,198,960 over the term. Non-HUD project financing includes: Seller Carryback: \$6,200,000; Deferred Developer Fees: \$7,763,121; CA Tax Credit Equity: \$50,016,012. Total expected cost of development: \$103,979,121.

FINDING OF NO SIGNIFICANT IMPACT

Acting as the Responsible Entity under a Lead Agency Agreement with CalHFA, the City of Santa Cruz has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file online at <https://www.cityofsantacruz.com/government/city-departments/economic-development/housing-assistance-information/public-notice> or in-person at the City of Santa Cruz, 337 Locust Street, Santa Cruz, Ca 95060, and at <https://www.calhfa.ca.gov/about/press/public-notice/index.htm> for CalHFA, and at <https://cpd.hud.gov/cpd-public/environmental-reviews>. For ADA accessibility and limited English proficiency please use the CalHFA link.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the City of Santa Cruz to the attention Jessica de Wit at the address above or at jdewit@santacruzca.gov or to CalHFA to the attention of Barbara Stribling at BStribling@calhfa.ca.gov. All comments received by November 20, 2024, will be considered by the City of Santa Cruz and CalHFA prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing.

ENVIRONMENTAL CERTIFICATION

The City of Santa Cruz certifies to HUD that Jessica de Wit, Housing & Community Development Division Manager, in her capacity as Certifying Officer and Tiena Johnson Hall, CalHFA Executive Director in her capacity as Certifying Officer, consent to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows CalHFA and the City of Santa Cruz to use Program funds.

OBJECTIONS

HUD will accept objections to the City of Santa Cruz and CalHFA's separate Request for Release of Funds and Environmental Certifications for a period of fifteen days following the submission date specified above or the actual receipt from each separately of their request (whichever is later) only if they are on the following bases: (a) the certification was not executed by the Certifying Officer of the RE; (b) the RE has omitted a step or failed to make a determination or finding required by HUD regulations at 24 CFR part 58 or by CEQ regulations at 40 CFR 1500-1508, as applicable; (c) the RE has omitted one or more steps in the preparation, completion or publication of the Environmental Assessment or Environmental Impact Study per 24 CFR Subparts E, F or G of Part 58, as applicable; (d) the grant recipient or other participant in the development process has committed funds for or undertaken activities not authorized by 24 CFR Part 58 before release of funds and approval of the environmental certification; (e) another Federal, State or local agency has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and, for Project-Based Vouchers shall be emailed to Todd Greene at todd.r.greene@hud.gov and for HUD Risk-Share funds shall be emailed to MFW-Public-Notices@hud.gov Potential objectors should contact HUD via email at todd.r.greene@hud.gov, or MFW-Public-Notices@hud.gov to verify the actual last day of the objection period.

Tiena Johnson Hall, Executive Director, California Housing Finance Agency
Jessica de Wit, Housing & Community Development Division Manager, City of Santa Cruz