

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

Date of Notice: November 12, 2024

Responsible Entity [RE]: City of Santa Cruz

Address: 337 Locust Street, Santa Cruz, CA 95060

Telephone Number: (831) 482-5108

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the *City of Santa Cruz*

REQUEST FOR RELEASE OF FUNDS

On or about December 2, 2024, the City of Santa Cruz will submit a request to HUD for the release of \$1,700,621 of Home Investment Partnerships Program (HOME) funds under Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended and will authorize the Santa Cruz County Housing Authority to submit a request to HUD for the release funds for 31 Project-based Vouchers under Section 8(o)(13) of the Housing Act of 1937, for the purpose of partially funding the construction of the Downtown Library Affordable Housing Project/Downtown Library Mixed Use Project, a mixed-use 124-unit affordable housing, commercial and public library project to be located at 113 and 119 Lincoln Street (APNs 005-141-11 & -21) in downtown Santa Cruz at a city-owned surface parking lot (Lot 4) and the adjoining parcel to the east, off the intersection of Cathcart Street and Cedar Street. The development features a multi-story mixed-use building that includes: a mix of 124 units including studios, one, two, and three-bedroom homes, a modern public library facility with resources for all, a childcare facility, a three-story commercial component that will be home to future restaurant, retail or office options, and a public parking garage that includes 235 parking spaces. The Project will be an 8-story concrete, and wood frame structure with a mix of Studio, 1-BR, 2-BR, and 3-BR units with nineteen (19) units to be set aside for extremely low-income (ELI) households, one (1) unit set aside as Manager's units, and the remaining 104 units restricted to low- very low-income individuals and families (up to 60% AMI). Up to 31 units will come with Section 8 Project Based Vouchers so families will not be paying more than 30% of their income for housing. Units may be restricted at deeper affordability levels by funding or other requirements.

The 124 affordable units will be dispersed throughout floors four through eight, along with several outdoor courtyards and a playground. To support all modes of transportation and throughout the site, there are more than 200+ bike parking locations proposed. There will be spaces for both public and private use, with a separate, secured bike parking located side the parking garage for resident tenants as well as a library, daycare, and commercial employees. Parking is unbundled in that there will be a three-story public parking garage built under the residential units, but no apartment has a reserved space.

Some of the community amenities planned include: a technology learning center equipped with computers and other learning center media; onsite laundry facilities; outdoor recreational space and services for residents. The community is being built with a state-of-the-art public library facility attached. Climate adaptive features include building with sustainable materials and including climate changing optimization mechanisms that are smart and adapt to the weather conditions, solar power, passive heat island features and low flow water features.

Onsite resident service providers with dedicated offices will be available to help residents with activities such as applying for entitlements/benefits, finding employment, receiving job training, accessing affordable healthcare and insurance, and receiving legal and tax preparation assistance. Service providers will also organize on-site classes/trainings to increase life skills, self-sufficiency, and personal advancement opportunities. Examples of classes include financial literacy, digital literacy, ESL, nutrition, food cultivation, food preparation, green cleaning, bicycle maintenance, and parenting.

Projected sources of funding include: Tax Exempt Permanent Loan- \$22,596,000; State of California HCD AHSC loan - \$22,500,000; City of Santa Cruz HOME- \$1,700,621; Local Affordable Housing Trust Fund- \$1,750,000; Local Low-income Housing Trust Fund- \$3,805,000; GP Loan (CCCE Grant) – 240,000; DDF- \$10,327,433; LIHTC Equity- \$48,065,572 for a TDC of \$110,984,625 for the Residential portion; and Measure S – 20,000,000; Congressional Grant – 2,000,000; City of Santa Cruz EDTF – 885,000; Parking District – 21,600,000 for a TDC of \$44,485,000 for the parking, library and commercial portion with a combined estimated Total Development Cost (TDC) of \$155,469,625 plus 20 years of 31 Project Based Vouchers with an estimated annual value of: \$873,916.00.

FINDING OF NO SIGNIFICANT IMPACT

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). The ERR will be made available to the public for review either electronically or by U.S. mail. Please submit your request by U.S. mail to Jessica de Wit, Housing & Community Development Division Manager at 337 Locust Street, Santa Cruz, CA 95060 or by email to jdewit@santacruzca.gov. The ERR can be accessed on-line at the following website: <https://www.cityofsantacruz.com/government/city-departments/economic-development/housing-assistance-information/public-notice>

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the City of Santa Cruz at the above address. All comments received by November 27, 2024, will be considered by the City of Santa Cruz 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 consents 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 the City of Santa Cruz to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD will accept objections to its release of funds and the City of Santa Cruz's certification for a period of fifteen days following the anticipated submission date or its actual receipt of the

request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the City of Santa Cruz; (b) the City of Santa Cruz has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 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 shall be mailed to HUD San Francisco Regional Office, One Sansome Street, Suite 1200, San Francisco, CA 94104 or emailed to HUD Region IX, at RROFSFRO@hud.gov if in respect to HOME funds and todd.r.greene@hud.gov if in respect to PBVs. Potential objectors should contact HUD via mail at the above physical address or by email at RROFSFRO@hud.gov and todd.r.greene@hud.gov to verify the actual last day of the objection period.

Brian Borguno, Certifying Officer
City of Santa Cruz