

CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, California 95060



TRANSPORTATION AND PUBLIC WORKS COMMISSION

Regular Meeting

November 18, 2024

**6:00 P.M. GENERAL BUSINESS AND MATTERS OF PUBLIC INTEREST, COUNCIL
CHAMBERS (809 CENTER STREET, SANTA CRUZ)**

Written material for every item listed on the agenda is available for review at the Public Works office, 809 Center Street, Room 201, and online at www.cityofsantacruz.com.

Time limits set by Commission Policy are guidelines. Unless otherwise specified, procedures for all items, are:

- Oral staff report
- Public comment - 3 minutes each; maximum total time may be established by the Presiding Officer at the beginning of an agenda item
- Commission deliberation and action

No action will be taken on items listed under Oral Communications, Announcements, Presentations, and Information Items

Written correspondence may be sent to tpwc@santacruzca.gov. **Please note:** emails received after 12:00 p.m. on the date of the meeting may not reach and be read by Commissioners prior to consideration of an item.

Appeals - Any person who believes that a final action of this advisory body has been taken in error, that decision may or may not be appealable to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk Administrator. Appeals must be received by the City Clerk Administrator within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a fifty dollar (\$50) filing fee.

Additional Information

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. If you wish to attend this public meeting and will require assistance, such as an interpreter for American Sign Language, Spanish, or other special equipment, please call the Public Works Office at (831) 420-5162 or e-mail tpwc@santacruzca.gov at least five (5) days in advance so that arrangements for such assistance can be accommodated. The Cal-Relay system number: 1-800-735-2922.

Agenda and Agenda Packet Materials: The commission agenda and the complete agenda packet containing public records, which are not exempt from disclosure pursuant to the California Public Records Act, are available for review on the City's website: <https://www.cityofsantacruz.com/government/city-departments/public-works/public-works-department-commissions/transportation-and-public-works-commission> and at 809 Center Street, Room 201, Santa Cruz, California, during normal business hours.

Agenda Materials Submitted after Publication of the Agenda Packet: Pursuant to Government Code §54957.5, public records related to an open session agenda item submitted after distribution of the agenda packet are available at the same time they are distributed or made available to the legislative body on the City's website at: <https://www.cityofsantacruz.com/government/city-departments/public-works/public-works-department-commissions/transportation-and-public-works-commission> and are also available for public inspection at 809 Center Street, Room 201, Santa Cruz.

Transportation and Public Works Commission (TPWC)

6:00 PM

Call to Order

Roll Call

Absent with Notification

Statements of Disqualification

Oral Communications

Announcements

Presentations

1. Citywide Emergency Operations and Preparedness

Approval of Minutes

2. Approval of Minutes for the October 21, 2024 Meeting

Motion to approve the Minutes for the October 21, 2024 Transportation and Public Works Commission Meeting.

Consent

General Business

3. Downtown Expansion Plan

Motion to provide feedback on the Downtown Plan Expansion Update.

4. 2025 Calendar of Transportation and Public Works Commission Meetings

Motion for the Transportation and Public Works Commission to approve the 2025 Meeting Calendar.

4. 2025 Paving Program - Harvey West/Encinal and Prospect Heights Striping Plans

Motion to provide feedback on the striping plans of the 2025 Pavement Rehabilitation Projects in Harvey West and Prospect Heights and recommend that City Council approve the striping plans.

5. Pacific Roundabout Bikeway Improvements
Motion to provide feedback on the Pacific Beach Roundabout Enhancements Project (c402507) and recommend that City Council authorize staff to advertise for bids.

Information Items

Subcommittee/Advisory Body Oral Reports

Items Initiated by Members for Future Agendas

Adjournment



Transportation and Public Works Commission

Regular Meeting

Draft Minutes

6:00 p.m., Monday, October 21, 2024

Council Chambers

Call to Order 6:00 PM

Roll Call: Chair Ron Goodman, Vice Chair Ryan Meckel; Commissioners: Susan Gilchrist, Scott Harriman, Kyle Kelley, Robert Orrizzi, Lola Quiroga

Absent with Notification: None

Statements of Disqualification: None

Oral Communications: None

Announcements:

Christina Alberti, Principal Management Analyst, announced Michelle Templeton as the new Assistant City Manager.

Presentations

Approval of Minutes

1. Approval of Minutes for the August 19, 2024 Meeting

MOTION: Commissioner Orrizzi moved, seconded by Commissioner Quiroga, to approve the minutes of the August 19, 2024 Transportation and Public Works Commission meeting.

ACTION: The motion carried with the following vote:

AYES: Chair Goodman, Vice Chair Meckel, Commissioners: Gilchrist, Harriman, Orrizzi and Quiroga.

NOES: None.

ABSENT: None.

DISQUALIFIED: Kelley.

Consent

General Business

2. Appeal of the Western Drive Traffic Calming Pilot Striping Improvements Plan Parking Removal - Public Hearing

Claire Gallogly, Transportation Planner II, presented the Appeal of the Western Drive Traffic Calming Pilot Striping Improvements Plan Parking Removal and responded to questions with assistance from Matt Starkey, Transportation Manager.

At 6:39 P.M. Chair Goodman opened public comment and the following people spoke:

Misha Imam
Catherine Achkar
Brooke Moorhead
Raymie Hart
Gary Grellmann
Charles Vaske
Mark Readdie
Thomas Williams
Tim Sylvester
Forest Monsen
Charles Hicks
Steve Kaelin
Doris Kaelin
Sofia Romeo
Joyce Grellmann
Saladin Sale
Sandra Woods

At 7:07 P.M. Chair Goodman closed public comment.

MOTION: Commissioner Gilchrist moved, seconded by Commissioner Kelley, to deny the appeal of the Western Drive Traffic Calming Pilot Striping Plan.

ACTION: The motion carried with the following vote:

AYES: Chair Goodman, Vice Chair Meckel, Commissioners: Gilchrist, Harriman, Kelley, Orrizzi, and Quiroga.

NOES: None.

ABSENT: None.

DISQUALIFIED: None

Information Items:

3. Transportation and Public Works Commission Ad Hoc Subcommittee Update

Commissioners Gilchrist and Harriman gave an update on the Transportation and Public Works Commission Ad Hoc Subcommittee.

Subcommittee/Advisory Body Oral Reports: None

Items Initiated by Members for Future Agendas: Commissioner Quiroga requested an update on BCycle.

Adjournment: 8:02 PM



CITY OF SANTA CRUZ
TRANSPORTATION AND PUBLIC WORKS
COMMISSION
AGENDA REPORT

DATE: 11/4/2024

AGENDA OF: November 18, 2024

DEPARTMENT: Planning & Community Development

SUBJECT: Downtown Plan Expansion Update

RECOMMENDATION: Motion to provide feedback on the Downtown Plan Expansion Update.

BACKGROUND: City planning documents have long expressed a desire to improve connections between Santa Cruz's Downtown core to the popular destinations at the Municipal Wharf, Main Beach, and the Boardwalk. This desire for connection is one of several factors that led to the selection of the South of Laurel area as the best location to expand the boundaries of the existing Downtown Plan. By adding the identified section of the South of Laurel Neighborhood, the Downtown will expand opportunities to add housing, businesses, public spaces, a new multipurpose arena for the Santa Cruz Warriors, and enhancements to bike and pedestrian connections that have been envisioned. The expansion would open new ways for the community to engage with the San Lorenzo River and create strong connections between the downtown and beach areas.

Timeline and Council Direction

The project to expand the Downtown Plan was initiated at the end of 2021 and has involved phases of information gathering, outreach, analysis, collaboration with major property owners and the Santa Cruz Warriors, and drafting of the new sections of the Downtown Plan itself. The City Council provided direction on the effort at various times throughout the process, and the Draft Plan slated for release in the coming weeks will reflect that direction. Council direction has specified that the plan seek to achieve three desired outcomes:

1. The Plan area should support the addition of around 1,600 new housing units (while studying up to 1,800 units in the Environmental Impact Report).
2. Of these 1,600 new units, at least 20% of them (320 units) should be available at below-market-rate rent or sale prices.
3. The land use requirements should, to the greatest extent possible, limit new buildings to a maximum of twelve stories in height.

The following section highlights key features of the draft Plan, detailing proposed new community spaces, improved connectivity, land use allowances, development standards, and how the draft plan is achieving the Council direction.

DISCUSSION: The forthcoming draft plan includes two documents: the Proposed *Appendix 8 South of Laurel Area*, which would be an appendix to the existing Downtown Plan, and the Proposed *Amendments to the Downtown Plan Chapter 4*. The amendments to the Downtown Plan Chapter 4 address the regulations for private property development, while the Appendix is an additional document that provides broader context for the plan and details the many public infrastructure improvements and new community spaces proposed as a part of this planning effort (public review drafts of each document can be found on the project webpage at www.cityofsantacruz.com/downtownplanexpansion). At final hearings, the project will also include amendments to the City’s General Plan, Local Coastal Program, and Zoning Ordinance and associated maps to support the vision articulated in the expanded Downtown Plan.

New Community Spaces and Improved Connectivity

As mentioned above, the Downtown Plan *Appendix 8, South of Laurel Area* consists of context-setting and introducing the policies and guidance for the many public areas that are proposed within the expansion area. These include public roadways, bike lanes, sidewalks, an expanded riverwalk area, and a new public plaza. This section will briefly introduce these planned amenities, directing readers to seek further detail in the appendix document itself.

Street Network and Public Plaza

This appendix section introduces some public enhancements in the South of Laurel Area Development Plan, consisting of three key proposed improvements: 1) relocating the northernmost portion of Laurel Street Extension to the south at the base of Beach Hill, which allows for 2) closing the existing portion of Laurel Street Extension between Front Street and the San Lorenzo River to create additional public/community space along the river a new public plaza between Front Street and the Riverwalk, and 3) adding a roundabout at the southerly intersection of Pacific Avenue, Front Street, and Third Street. These major changes allow for improved bicycle and pedestrian circulation and mobility, and they support the creation of a major new public feature in the Spruce Street Plaza.

Spruce Street Plaza

The proposed Spruce Street Plaza would extend from Front Street to the Riverwalk and provide a new, year-round public gathering space. The space could meet many different needs for various occasions and would support space for outdoor dining as well as gathering or simply pausing in the South of Laurel Area or along the river.

Riverwalk

The Santa Cruz Riverwalk will continue to provide an option for off-street biking and walking. The Plan envisions new development engaging with the river and riverwalk by orienting development towards the river and incorporating uses like restaurants that open towards the Riverwalk. The Riverwalk will be widened on the west side of the levee to create opportunities for community space, especially around the connection with the Spruce Street Plaza, while maintaining the Riverwalk’s function as a bike and pedestrian pathway.

Pacific Ave

Similar to the way Pacific Avenue functions north of Laurel Street, Pacific Avenue running through the plan area will continue to form the heart of shopping, dining, and strolling. The sidewalks will be ample enough to accommodate extensive outdoor activity, and roadway traffic will be secondary to the pedestrian experience. Lighting, landscaping, street trees, and other

street furniture is envisioned to be as currently seen in the rest of Pacific Avenue in the Downtown.

Front Street

The role played by Front Street differs from that of Pacific Avenue in that Front Street must accommodate not only safe and pleasant bicycle and foot traffic but must also meet community mobility needs by accommodating transit, a higher volume of automobiles, delivery trucks, and more. The focus for Front Street is ensuring that all users are accommodated with clear routes to their desired destinations.

Santa Cruz Warriors Arena

The Santa Cruz Warriors plan to replace their temporary arena space with a new, multipurpose arena in the Plan area, creating a landmark building and event space that will serve as a catalyst for the development of surrounding public spaces and private development. It is anticipated that the new arena will be built on its current location but could possibly be built on the block directly west of the current location as well. In either location, this plan envisions the arena extending to and engaging with the new Spruce Street Plaza in order to provide space for arena patrons to spill out following an event or for outdoor events to take place in coordination with the arena. The exterior design of the arena, its entrance location, and the commercial uses on its perimeter will shape the function and personality of the Spruce Street Plaza.

Streetscape

The way that streets are laid out and framed by buildings is often referred to as the “streetscape.” The Appendix attachment includes extensive details on the layout of the various public rights-of-way, including dimensions of sidewalks, bike lanes, and traffic lanes. These diagrams will be used to guide future public and private investment of these streets as redevelopment occurs in the project area. The focus is on creating a highly walkable area that is welcoming for all ages and supports easy navigation and walking to nearby destinations like the Main Beach. The streetscape on Front Street and Laurel Street is a bit different, working to accommodate all modes of travel including higher volumes of auto traffic, transit, and commercial deliveries. These streets will still have wider sidewalks, with a greater focus on connection and mobility rather than gathering and lingering, as on Pacific Avenue and Spruce Street. The Riverwalk provides a third type of right of way, one focused on the off-street movement of bicyclists and pedestrians. The plan envisions the intersection of the Riverwalk and the Spruce Street Plaza as a place that could act as a primary public gathering point, particularly if it is adjacent to the new arena.

Bicycle and Pedestrian Circulation

The draft Plan details many proposed new bicycle and pedestrian connections and improvements. Readers should note that 2) the bike lanes are proposed to be sidewalk-level (also known as separated bike lanes or cycletracks) in many locations to improve bicyclist comfort while still accommodating auto use and 2) the Riverwalk creates an easy off-street connection to the Main Beach area for cyclists. Pedestrians are prioritized throughout the project area and will be able to access an improved stairway climbing Beach Hill and connecting to Cliff Street. Wayfinding signage will support these mobility improvements and help locals and visitors navigate the area. (See Appendix, page 35)

Private Property Development Regulations

While the public infrastructure and community spaces provide the setting for most community members to experience the city, development on private property is equally important in setting the framework for homes, workplaces, and retail and restaurant destinations. To that end, the South of Laurel Area is envisioned to be an extension of the existing downtown but with smaller development allowances. Given a catalyst like the new arena and analysis showing that some existing properties are reaching their intended lifespans and functional value, the area is likely to be attractive to new development over the next 20-30 years.

The existing Downtown Plan includes thoughtful and effective design standards which have been used to create new buildings up and down Pacific Avenue and Front Street. These standards include strong requirements for the ground floor spaces and dimensions that create attractive storefronts and space for a variety of retail and food service uses. They also include guidance for upper stories that focuses on creating variation and texture at upper levels and rooflines, as well as standards for materials, colors, and landscaping that support the existing look and feel of downtown Santa Cruz. Staff seek to carry existing Downtown Plan standards into the expansion area as well.

Development Standards – Edits to Downtown Plan

Staff has drafted edits to the existing Downtown Plan standards that strive to keep the goal and intention of the regulations intact while extending their reach into the South of Laurel Area and making adjustments where necessary to: 1) create objectivity from an existing subjective criteria (i.e., changing a “should” to a “shall,” etc.); 2) adjust standards for the South of Laurel Area that recognize modern uses and construction techniques (i.e., adjusting the depth of retail requirements down to 20 feet from the previously required 40 feet); 3) accommodate a unique land use in the Santa Cruz Warriors Arena (see Downtown Plan Chapter 4, Subsection K(12)); and 4) create standards to ensure a building’s ground floor area interfaces with the Riverwalk and the proposed Spruce Street Plaza in the project area (i.e., requiring that ground floor uses focus on public-facing commercial uses rather than allowing private residences at that ground level, as is allowed in the current Downtown Plan).

Height and Floor Area Ratio

The amount of total development that is allowed on a given piece of property in the Plan area is primarily governed by three key development standards: setbacks, height, and floor area ratio (FAR¹). The amount of required parking is typically a key piece as well, but because the Downtown falls within the one half-mile radius of the High-Quality Transit stop at the downtown Metro Station, no parking can be required as part of a development proposal per state law. Therefore, parking requirements are not a limiting factor on the total amount of built square footage that can be placed on a parcel here.

Height limits are typically expressed in feet measured to the peak or top plate of a building. In the case of Downtown, there are different height limits in different locations, ranging from 35 feet to 85 feet. The maximum allowed height (without a density bonus) for the expansion area is proposed to be 85 feet, the same as the Additional Height Zone A located north of Laurel. Following community feedback, the plan also proposes to limit heights to no more than 70 feet

¹ The FAR is a measurement of total building volume, expressed as a ratio between built square footage and total parcel square footage. A building that is one story tall and covers the entire parcel has an FAR of 1.0. The same 1.0 FAR could also be a two-story building that covers one half of the parcel, or a four-story building on one quarter of the parcel and so on.

(again, without density bonus) on the southern-most portions of the blocks directly north of Beach Hill. Details are on the Height Maps found in Chapter 4, Subsection B, of the *Downtown Plan, Chapter 4*.

The 2030 General Plan and the existing Downtown Plan call for an FAR of 5.0 throughout the existing downtown area, as moderated by various building heights throughout. South of Laurel, the current FAR on most parcels is 3.5, and there are three locations (the two blocks adjacent to the river – the Wheel Works site and the site of the temporary arena, as well as the parcel at 140 Center Street) that are currently regulated by residential density standards and are not governed by an FAR limit. The amendments to the Downtown Plan propose to use an FAR limit for all sites in the project area, making all of them subject to the same maximum at a 3.5 FAR. (This proposal differs from the Figure B-1 in Section B, in the attached *Downtown Plan, Chapter 4* due to direction from City Council this past June 2024.)

Downtown Density Bonus

In response to the January 2023 City Council direction, staff has been working to develop a set of incentives that could effectively raise the amount of affordable housing that will be built as a result of the expansion of the Downtown Plan boundaries above the anticipated amount under current conditions. Planning staff has developed a set of incentives that can compete with the incentives of the California State Density Bonus Law and allow the City to recapture some of the local control over design and affordability that has been lost in recent years as the state works hard to respond to the decades-long housing crisis.

Planning staff presented the proposed Downtown Density Bonus policy to the City Council on October 22, 2024 and received direction to pursue the proposal as presented and incorporate the complete policy into the Downtown Plan prior to public hearings. The City Council Agenda Report is attached.

CEQA Determination:

Next Steps

To fulfill the requirements of the California Environmental Quality Act (CEQA), the Final Draft Plan is the subject of a Draft Environmental Impact Report (EIR) that will be released for a standard 45-day public review within the coming weeks, meaning the comment period will extend into January of 2025. Preparation of the Final EIR will then take place following the comment period and potentially extend into the Spring of 2025. Once the EIR is complete and any recommended mitigation measures are integrated into the Plan, the Planning Commission and City Council will hold public hearings to consider adoption of the Final Downtown Plan and certification of the EIR. Should the City Council adopt the plan and all supporting policies, the final step toward completion will be to submit the package of policy amendments to the California Coastal Commission for consideration. Staff expects this review to take a minimum of a several months, allowing for the Plan to potentially take effect in late-2025.

The Public Review Draft, proposed Appendix 8 to the Downtown Plan, South of Laurel Area can be found online here:

<https://www.cityofsantacruz.com/home/showpublisheddocument/100040/638526890626970000>

The Public Review Draft, proposed edits to the Downtown Plan, Chapter 4 can be found online here:

<https://www.cityofsantacruz.com/home/showpublisheddocument/100032/638526847948570000>.

Health in All Policies: The Downtown Plan Expansion supports the Health in All Policies of Economic Security & Mobility, Thriving Families, Social, Cultural & Civic Connections, and Stable, Affordable Housing & Shelter by expanding development potential downtown where a mix of housing types can be accommodated in the heart of the city near social and cultural center.

FISCAL IMPACT: This report is part of the grant-funded project to expand the Downtown Plan boundary. The total project cost is currently scoped to be \$555,000. Planning was awarded a grant for this project, totaling \$300,000, and General Fund sources will be used to cover the full cost of the project beyond the grant amount.

As the project area is built out, staff anticipates that the additional property, admissions, and sales taxes, together with any special assessments elected for the project area, will have positive impacts on the City's long-term fiscal conditions. Provision of services to the area will result in additional costs to the City but given the location, density, and efficiency of land uses under consideration, revenues should be expected to exceed expenses. Creating a new urban destination with distinct urban character and a major events venue of regional importance could make this project the center of a highly successful economic development endeavor, bringing residents and visitors from throughout the region into the downtown and helping them navigate between key points of interest at the beach, river levee, and Downtown. Precise information on the longer-term fiscal implications will not be fully known until new uses and buildings are constructed and operating.

Prepared by: Sarah Neuse, Senior Planner, Planning & Community Development

Submitted by:

Nathan Nguyen, P.E.
Director of Public Works

ATTACHMENTS:

City Council Agenda Report, Downtown Density Bonus, 10/22/2024



City Council AGENDA REPORT

DATE: 10/3/2024

AGENDA OF: 10/22/2024

DEPARTMENT: Planning and Community Development

SUBJECT: Downtown Plan Expansion, Downtown Density Bonus, and Anti-Displacement Policy. Location: South of Laurel Street, Roughly Between Center/Cedar Streets and the San Lorenzo River (in Council District 4) and, for a Future Anti-Displacement Policy, Citywide. Applicant: City of Santa Cruz. (PL)

RECOMMENDATION: Motion to:

- 1) Direct staff to include the Downtown Density Bonus, as discussed in this report, in the forthcoming amendments to the Downtown Specific Plan as a part of the Downtown Plan Expansion Project;
 - 2) Consider options for a funding source that could be used to create a local affordable housing tenant preference for households at risk of displacement; and
 - 3) Acknowledge that the Council's direction as part of this action is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15306 – Information Gathering.
-

BACKGROUND: The project to expand the Downtown Plan was initiated at the end of 2021 and has involved phases of information gathering, outreach, analysis, collaboration with major property owners as well as the Santa Cruz Warriors, and drafting new sections of the Downtown Plan itself. The City Council provided direction in June 2022 regarding height and the number of units. Council provided further direction in January 2023 specifying that the plan include three desired outcomes: First, the expanded plan area should support the addition of 1,600 housing units (while studying up to 1,800 units in the Environmental Impact Report (EIR)); second, of these 1,600 new units, at least 20% of them (320 units) should be available at below-market-rate (BMR) rent or sale prices; and third, to the greatest extent possible, City policy should incentivize construction of buildings that are no more than twelve stories in height, inclusive of density bonus. It was contemplated that these numbers would be achieved with the assumption of a 50% Density Bonus.

On June 18, 2024, the City Council and City Planning Commission received an update on the Downtown Plan Expansion process in a joint study session. This meeting coincided with a month-long public review period where the plan was released to the public to receive additional comment. The consensus direction from that meeting was for staff to return as soon as possible with the policy approach that will achieve the above-stated goals set in January 2023. This report is responsive to that direction and includes an update regarding potential anti-displacement policy approaches that staff are researching.

During production of the draft Plan, direct and indirect displacement of existing residents in and around the South of Laurel neighborhood has been mentioned as a potential concern by several community members and public officials. Staff are exploring how anti-displacement preferences might be integrated into the Downtown Plan Expansion area given the more direct displacement effects that could affect the area as new projects are built. State Legislation passed in 2022 (Senate Bill 649) created a new option for cities and counties to set aside a certain percentage of new affordable housing units for local households at risk of displacement. As part of the Council's Housing Element adoption late last year (specifically in Objective 5.5b), the City Council directed staff to research and bring forward for Council adoption anti-displacement policies programs and code amendments by September 2025. That direction relates to and supports the anti-displacement work being considered for the Downtown Plan Expansion, and this report contains an update on that work.

DISCUSSION: Council's direction for the Plan area to consider 1,600 units (and study up to 1,800 in the EIR) is accomplished through the land use plan and environmental documentation process. The two other points of direction, incentivizing a greater number of BMR units and seeking height limits of twelve stories, require a more creative solution. Because the California State Density Bonus provides development incentives and the City's high inclusionary rate naturally pushes larger multifamily development to use a State Density Bonus, the City must create a development incentive program that can compete with the State Density Bonus.

State Density Bonus Law

The State Density Bonus is a State law that allows housing proposals to be larger and denser than would otherwise be permitted under local regulations in exchange for reserving some amount of the housing for very-low, low, or moderate income households (or for certain targeted groups like students, veterans, and seniors). There can be no specific height limit in place for a project that uses the State Density Bonus. Once a base project is calculated using existing development standards, those development standards can be waived if they help a project achieve its proposed bonus units. Typically, waivers will apply to site standards that regulate building massing – height, floor area ratio (FAR, which is a measure of building area compared to site area), setbacks, open space, and parking are the most common. In addition to allowing waivers for physical constraints, the State Density Bonus also allows a limited number of concessions to be requested to remove financial constraints. Concessions are frequently used to adjust standards such as building materials, and architectural details, as requirements for ground floor commercial.

The City must review development applications using the State Density Bonus in the manner that they are submitted, without requiring the use of different waivers or concessions, and the City

must approve the project if it complies with the remaining local codes and standards. A bonus of 50% of density is not necessarily equivalent to a 50% increase in height – it is up to the building designer to decide how to arrange the bonus area into the project they wish to propose. In this manner, the existing development allowances in the Downtown, both north and south of Laurel Street, could theoretically be used to propose a building that is taller than the targeted 12 story height limit directed by City Council. That potential already exists today in the downtown and has for several years.

In Santa Cruz, existing citywide requirements for inclusionary housing units (BMR housing that is required to be built with every new housing proposal of five units or more) require that a minimum of 20% of new housing units be restricted to serving Low Income households, as published annually by the California Department of Housing and Community Development.

Under the California State Density Bonus Law, required percentages of affordable units pursuant to inclusionary requirements and State Density Bonus requirements 1) are based on the initial, base project, before any bonus units are added to the project and 2) are not mutually exclusive, meaning that affordable units meeting the State Density Bonus requirement count towards meeting the City's inclusionary requirement and vice versa. This means that for a project using the State Density Bonus, the City's 20% inclusionary requirement ends up generating BMR units that are just over 13% to around 15% of the project's total units, depending on the number of bonus units included. Therefore, to achieve the goal of a final yield of BMR housing that is no less than 20% of all new units, the requirements on the base projects will need to be greater than the current inclusionary requirements.

Under current market conditions in the Downtown Plan area, the 50% density bonus is the upper limit of the most common bonus pursued by market rate developers, so staff has been using a 50% bonus as a standard for calculation. The City cannot simply increase the current inclusionary requirement to 30% to achieve a 20% total unit outcome in a 50% Density Bonus scenario. The level of subsidy required for private housing developers to meet that kind of standard is higher than any financial model has found to be feasible for housing in Santa Cruz. It would likely be so infeasible that it would stop development of housing all together.

The City must create new local incentives to compete with the State Density Bonus and entice developers to instead follow City policies. If the incentives are right, housing development could increase the percentage of BMR units tied to the project and commit to following local standards such as Council's desired 12 story height limit. Staff proposes a Downtown Density Bonus policy that achieves these aims.

Downtown Density Bonus

City planning staff have identified options for development projects to encourage developers to use the local policy and agree to building heights no taller than either eight stories or twelve stories, depending on the option selected. To make these lower heights more appealing while still achieving a yield of at least 20% BMR units, the policy proposes some novel options for granting a density bonus.

Because all sites in the project area are eligible for State Density Bonus, which would yield only 13-15% of the units being BMR and could result in heights greater than 12 stories, staff recommends that the Downtown Density Bonus be available to all property within the Downtown Plan Expansion area south of Laurel Street. This approach provides a higher likelihood of meeting the Council's direction, particularly related to the maximum desired height and increased percentage of affordable units.

All projects seeking a Downtown Density Bonus would be committing to using only the City's program and permanently forgoing any State Density Bonus for which they might otherwise qualify. All projects would be required to exceed the existing base inclusionary requirements, with the result being the production of permanently below-market, income-qualified housing units that total at least 20% of the total units in the final Downtown Density Bonus project. The proposed Downtown Density Bonus offers two types of development bonuses and three methods of qualifying for those bonuses. The goal of the Downtown Density Bonus is to be more attractive to developers than the State Density Bonus.

Development Bonus Options

In the proposed policy, the Downtown Density Bonus would be offered in two different ways:

1. Option A: a qualifying proposal would be allowed to build up to twelve stories and 145 feet in height and up to 6.125 FAR (3.5 FAR base + 75% bonus) if the project agrees to go through a discretionary process that includes review by an Architectural Review Committee for recommendations to support high quality design and materials as well as a Planning Commission Subcommittee to review materials at the Building Permit stage.
2. Option B: a qualifying project would be allowed to build up to the base height limits in the Plan (85 feet in most areas and 70 feet in others) with no limit on FAR if the project agrees to go through a discretionary process that includes review by an Architectural Review Committee for recommendations to support high quality design and materials as well as a Planning Commission Subcommittee to review materials at the Building Permit stage.

Qualification Options

Development projects will be able to qualify for a Downtown Density Bonus in any of the following three ways:

- 1) *On-Site*: Provide BMR units in an integrated market rate and BMR development project that meet both of the following criteria:
 - a) A minimum of 13.3% of the total units in the final project (density bonus plan) would be available to low-income households and
 - b) An additional 8% of the total units in the final project (density bonus plan) would be available to moderate-income households making up to 110% of AMI.

The number of BMR units would represent 21.3% of the total units in the project.

- 2) *Off-Site*: Provide BMR units at an off-site project with a minimum number of BMR units equivalent to 26.7% of the total units in the Downtown Density Bonus proposal and targeting households with incomes up to 80% of AMI.
 - a) The site with the BMR units must be located either:
 - i) within a half mile of the South of Laurel project area, or
 - ii) within the boundaries of the expanded Downtown Plan, or
 - iii) within the Coastal Zone. (see Maps, attached)
 - b) The off-site project must demonstrate the following:
 - i) Land control and an ability to achieve the required number of BMR units (30% of the total units in the associated market rate project) prior to building permit issuance for the market rate project and
 - ii) That the project with the requisite BMR units is fully funded and that construction begins before a certificate of occupancy is awarded to the market-rate project. If that is not feasible, the applicant shall dedicate the land to the City and pay the difference of the cost of the land and the in-lieu fee as calculated below.
- 3) *In-Lieu*: Pay a fee toward the City’s affordable housing trust fund at a fee of \$60 per square foot of housing units in the Downtown Density Bonus proposal.
 - a) The City is required to spend a minimum of 50% of these funds on development and preservation projects serving lower-income households within a half mile of the South of Laurel project area, within the boundaries of the Downtown Plan, or inside the Coastal Zone.

Policy Advantages

BMR Calculations

The Downtown Density Bonus proposes to calculate requirements for BMR units based on the density bonus project proposal rather than on a set of base plans. The qualifying BMR percentages were calculated based on a 50% bonus scenario using a plan of 100 units allowed by base zoning:

$$\begin{aligned}
 &100 \text{ units} \times 50\% \text{ bonus} = 150 \text{ total units} \\
 &100 \text{ units} \times 20\% \text{ inclusionary requirement} = 20 \text{ Low-Income units} \\
 &20 \text{ inclusionary units} / 150 \text{ units} = 13.3\% \text{ of total units are Low-Income units} \\
 &12 \text{ Moderate-Income units} / 150 \text{ units} = 8\% \text{ of total units are Moderate-Income units} \\
 &\text{Or} \\
 &40 \text{ off-site Low-Income units} / 150 \text{ units} = 26.7\% \text{ of total units are Low-Income units (or deeper} \\
 &\text{levels of affordability) built off site}
 \end{aligned}$$

The percentage approach also allows the bonus to scale to any parcel or proposal size and eliminates the confusing project review step of having to calculate the density bonus by analyzing a project base plan that will never be built. Put simply, the more units in the overall density bonus project, the more below market rate units that are required to be provided; the percentage of BMR units remains at 21.3% of the total.

Depth of Subsidy

The Downtown Density Bonus will create a greater number and greater percentage of housing units that are restricted to below-market rate costs than would be created by projects using the State Density Bonus to build similar projects. However, the State Density Bonus would require that the units built are subsidized to a deeper level of affordability. One of the trade-offs necessary to make the Downtown Density Bonus more appealing to developers was adjusting the depth of affordability required in order to qualify for the bonus density. Staff is recommending a policy for the On-Site Qualification that maintains the existing inclusionary housing requirement of 20% of the base project being affordable to households at or below Low-Income threshold of 80% of the Area Median Income (AMI) level, plus an additional 12% of the base project being affordable to households at the Moderate Income level of 110% of AMI. The equivalent State Density Bonus would be achieved by restricting 15% of the base units to the Very-Low Income Level at 50% of AMI and then meeting the City's inclusionary requirements by providing an additional 5% of base units at the Low-Income level (City policy requires that a total of 20% of the base units are provided at affordable cost to households at or below 80% of AMI).

The depth of affordability is a trade-off necessary in order to meet the ambitious goal of achieving a minimum of 20% of the *total* new housing at below-market costs. Projects pursuing the Off-Site Qualification will be required to create more housing units than would have been required in the On-Site Qualification, and because those units will be part of a 100% BMR project, they will qualify for public subsidies that can be used to target deeper levels of affordability. The proposed policy would require 100% of these units to be restricted to Low Income Households (80% of AMI) or deeper levels of affordability, and funding sources might require even deeper levels of affordability. (Most public funding sources are focused on building housing for households at or below the 60% or 50% of AMI threshold.) Similarly, the In-Lieu Qualification can be used to address a variety of affordable housing needs serving households at or below the Low-Income Level, including preserving existing affordable housing and stabilizing existing tenants, in addition to supporting construction of new deeply-affordable housing units.

The proposed mix of BMR units promotes economic diversity in the downtown area. Projects using the State Density Bonus will typically have Very Low, Low, and Above Moderate Income units, and projects consisting of 100% BMR units will typically have Very Low and Extremely Low Income units. No program currently requires or encourages Moderate Income BMR units. The proposed Downtown Density Bonus would do so, which would promote development of downtown housing for more diverse economic segments of the community.

Type of Development Bonus

The Downtown Density Bonus proposes to grant the development bonus as additional FAR, rather than a number of units based on a set of base plans. This method eliminates any disadvantage for buildings required to incorporate commercial ground floor space, because the bonus is based on the total building FAR, not just the residential portion of the building. Further, the proposed bonus would offer more development potential than could be achieved through the 50% State Density Bonus. By offering a 75% bonus on the base FAR in Option A and unlimited

FAR in Option B, the Downtown Density Bonus offers more options for feasible development projects, making the City program more attractive than the State Density Bonus.

Architectural Review

Both options build in an architectural review committee (ARC) in order to address the challenges of applying objective design standards to Density Bonus proposals. This committee would be composed of licensed architects who make recommendations on the permit application. As proposed, a separate subcommittee of the Planning Commission would review exterior materials as part of the Building Permit approval process, to help ensure quality and durability of proposed materials.

Off-Site BMR

The State Density Bonus does not allow for BMR units to be constructed off-site. Allowing for off-site construction of BMR units as part of 100% BMR development projects not only creates a greater total amount of BMR housing, but it also allows those units to be provided at a deeper level of affordability. 100% BMR projects can qualify for public funding that can allow Very-Low- and even Extremely-Low Income households to be served. These levels of subsidy are challenging to provide in any substantial number as part of market rate development. Because of additional public financing options related to building a 100% BMR project versus inclusion of the units into a market rate project, offering an off-site option could be a powerful incentive and can support a higher percentage of BMR units than is required for the on-site option. These off-site locations would need to be relatively equitably located relative to the market rate projects. Staff is recommending that this option be limited to using appropriately-zoned (zoned for multifamily housing and at least the number of units required for the Downtown Density Bonus) parcels within on half-mile of the Downtown Expansion Area, within the Downtown Plan Area, or elsewhere within the Coastal Zone. The attached maps show these areas of the City for reference, but do not identify specific sites that might qualify.

In-Lieu Fee

Finally, creating an option for an in-lieu fee could appeal to certain development proposals and has the potential to generate funding for the City's Affordable Housing Trust Fund. As demonstrated with the recent projects in the downtown, the Economic Development and Housing Department has an excellent track record of turning donations of land, funding, and staff time into hundreds of housing units for lower-income tenants. Another benefit is that these funds can be used to preserve existing BMR housing, which can be much harder to fund using other public sources and which directly serves existing local households who could be vulnerable to displacement pressures.

The in-lieu fee could represent the funding necessary to create the local preference for households at risk of displacement – an option that can only be achieved through substantial local funds. Estimates on the amount of funding that could be generated through the in-lieu fee on just a single project could be in excess of \$10 million. If multiple projects choose the in-lieu

fee option the City could be well positioned to initiate projects that carry a strong local preference and serve households facing indirect market displacement pressures.

Planning staff has worked with local developers, an inclusionary housing consultant, and collaborated heavily with the City Housing team in developing this policy recommendation and has worked to ensure that all components of City Council direction can be met with the proposed policy. Further work to finalize the details around application timing and permit processing for these future development proposals will continue in the lead up to the next iteration of the Draft Downtown Specific Plan, to be released later this year.

Anti-Displacement Policy

The term “anti-displacement” can be used to describe a wide variety of policy actions that support existing residents to remain living and working in the community during times of change in the macroeconomic sphere. These policy items may address housing, employment, tenant protections, financing strategies, and many other subtopics, each worthy of their own discussion. These policies can address both direct and indirect displacement of households living on or near redeveloping property. Together, California State Law and local ordinances provide several protections for households facing direct displacement but few for those facing indirect pressure.

Direct Displacement

For existing tenants in the South of Laurel neighborhood who could be subject to direct displacement impacts, several existing protections are in place. In the State of California, all tenants are entitled to relocation benefits if they are evicted as part of a development project and local ordinances provide further support to additional households facing direct displacement pressures:

- The state Housing Crisis Act of 2019¹ and subsequent amendments expanded the relocation benefits that developers are required to provide for displaced lower income² households.
 - Lower income households receive up to 42 months of rental assistance payments in the same jurisdiction, as well as payment of moving costs.
 - Lower income households are entitled to a first right of refusal for a comparable unit at an affordable rent in the new housing development.
 - State laws require developers to replace existing units occupied by lower income households with new affordable units in the new building with market rate units..
- Moderate income³ households are entitled to receive two months of rent as relocation assistance consistent with Santa Cruz Municipal Code section 24.08.1350.

¹ See California Government Code Section 66300.6(4)

² Lower Income households are defined as having income that is up to 80% of the Area Median Income, as standardized based on household size.

³ Moderate-Income is defined as households with income up to 110% of the Area Median Income, standardized by household size.

- All households are eligible to receive one month’s rent through state laws⁴ related to no-fault evictions.
- All households have a right to stay in their unit until six months prior to construction.

All relocation benefits must be documented in a Relocation Plan, Affordable Housing Determination Packet, and First Right of Refusal Proof of Compliance documents that developers are required to submit to the City as part of development applications. These existing protections help provide stability for tenants and contribute to efforts that address direct displacement of lower income households from Santa Cruz.

Indirect Displacement

Unlike residents of redeveloped property, tenants experiencing *indirect* displacement due to rising rents or other market pressures that affect the stability of housing have a limited number of protections under existing state law (such as statewide rent control and eviction protections on qualifying properties). Some households may be highly sensitive to rent increases and also have few resources to facilitate negotiating relocation support should they choose to move as a result. The City’s large rent increase ordinance⁵ does provide some recourse for certain tenants, though enforcement of that ordinance is a civil matter between a property owner and tenant. For households with lower incomes seeking a new residence, there are often no affordable options, and they may be forced to leave the City or even the County of Santa Cruz entirely in order to locate housing that meets their needs.

In 2022, Governor Newsom signed Senate Bill 649, the Local Tenant Preferences to Prevent Displacement Act (SB 649, attached) into law, and the City of San Jose quickly began work on developing a program taking advantage of the new legislation. Councilmember Newsome called SB 649 and the City of San Jose’s actions to the attention of staff, and staff has reviewed both the statute and the program for possible implementation in Santa Cruz.

The law creates an allowance for certain federal and state funds to be used in support of “households at risk of displacement.” This was a significant change since most federal and state funding sources can only be spent on BMR housing that is “publicly available” and allows any US resident to apply for a lease. Placing local preferences on any housing that uses federal tax dollars is explicitly prohibited by many federal and state funding programs. Since BMR housing projects often rely on multiple federal, state, local, and even private funding sources, local preferences cannot be applied to them..

The significance of SB 649 is that it creates a new class of households that can be prioritized for certain publicly funded housing units. The law allows a city or county to require a set aside of units in projects that use Federal Low-Income Housing Tax Credits (LIHTC) and California State Tax-Exempt Housing Bonds (State Housing Bonds). Any remaining funds needed to

⁴ California Civil Code Section 1946.2.(d)(3)(a)

⁵ Santa Cruz Municipal Code Chapter 21.03

complete a project would need to come from the local jurisdiction or from other private sources that would accept the preference requirement.

The law defines “households at risk of displacement” as lower-income households that currently reside in areas that are experiencing “rapid growth or increasing housing prices.” In developing a policy to serve these households, the State law also requires that cities continue to comply with obligations to affirmatively further fair housing consistent with both state and federal laws prohibiting discrimination against any protected class of households or individuals. Typically, jurisdictions conduct a disparate impact analysis using standard statistical methods to ensure that the proposed policy does not create any discriminatory effects based on race, gender, source of income, or any other protected characteristic. After conducting this disparate impact analysis, the City of San Jose recently determined that a maximum of 15% of housing units in qualifying projects could be set aside for households at risk of displacement.

This kind of set aside could be a powerful tool to ensure that new housing built in Santa Cruz creates opportunities for stability for the most vulnerable local households. The challenge with this kind of program is that a small City like Santa Cruz has a hard time generating sufficient funding to support projects that would be subject to these restrictions. Most recent publicly funded housing projects are using funding from five or more different sources, and most of those funding sources require that all units be publicly available without any local preference. In order to generate a significant number of units that carry an anti-displacement local preference the City would need a substantial source of funding to support development of housing projects that rely on only three sources of funding: LIHTC, State Housing Bonds, and City money. The City’s Affordable Housing Trust Fund is not currently sufficiently funded to achieve that goal. With new funding sources the City could have a tool to create an anti-displacement preference as described, after conducting in the necessary disparate impact analysis. The in-lieu fee in the Downtown Density Bonus policy is one possible source of funding to support this kind of preference.

Coastal Commission Discussion

City Staff met with representatives of staff for the California Coastal Commission on October 2, 2024 to discuss the Downtown Density Bonus and related anti-displacement concepts raised in this report. Given the urbanized nature of the downtown, the Commission staff recognized that coastal resource impacts are limited in the area, and they had a generally positive response to the proposals. City and Commission staff discussed the locational criteria of the off-site and in-lieu fee affordable housing options (see Maps, attached), which are intended to ensure that affordable housing is provided in the Coastal Zone or in/near the downtown’s amenity-rich environment. The discussion included where affordable housing may likely go outside of the downtown area (the half-mile radius) and the implications of such locations, such as affordable housing in the Beach Flats or Lower Ocean neighborhoods.

As it relates to reducing displacement in the Beach Flats and Lower Ocean while further increasing the affordable housing stock, one idea that City staff offered was for replacement housing units required per state law to not count towards the 30 percent of off-site affordable units. For example, if a 100-unit project selected the off-site option, it would require 30 BMR

units. However, if the off-site development was demolishing five units with Low Income tenants, those units would need to be replaced on the affordable housing site, in addition to the 30 required BMR units, for a total of 35 BMR units in this example. Staff intends to incorporate this language into the proposed off-site option for the Downtown Density Bonus.

CONCLUSION

Concerns about development and displacement have arisen repeatedly throughout the process of drafting the proposed expansion of the Downtown Plan. Recent changes to State Law have improved the resources available to those directly displaced due to redevelopment, with all tenants entitled to some amount of relocation support and low-income households receiving up to 42 months of rental support. Staff will enforce all existing state and local laws that create relocation support, ensuring that the greatest number of tenants receive the protections intended for them.

The proposed Downtown Density Bonus policy achieves the City Council direction provided on January 2023. The policy is designed to be a more attractive option for housing developers than the State Density Bonus, including some novel options like discretionary architectural review, off-site BMR units, and the possibility of an in-lieu fee payment. If the proposed policy is made available to all sites in the project area, the potential to achieve the goals of limited height and increased rates of BMR housing is increased. Further, the Downtown Density Bonus off-site and in-lieu options could increase the total number of BMR units even beyond the 20% target while still allowing for the same or greater amount of market rate housing to be added to the city.

Staff is seeking Council support for the proposed Downtown Density Bonus, including its application to the entirety of the Downtown Plan Expansion area. To that end, staff is interested in any questions or feedback the Council has regarding the policy approach. In particular, staff is interested in the Council's thoughts about the in-lieu fee option given that these funds could contribute to an anti-displacement preference in publicly-funded projects.

NEXT STEPS

Following City Council direction on the topics of this report, staff will incorporate that direction into the proposed amendments to the Downtown Plan and prepare to release the most updated version of that document with the proposed amendments to the 2030 General Plan, Local Coastal Program Implementation Plan, Municipal Code, and Beach South of Laurel Area Plan (collectively the "Downtown Plan Expansion" project) along with the publication of the Draft Environmental Impact Report (DEIR) within approximately the next month.

The above-listed documents and the DEIR will be released for a standard 45-day public review period. Responses to any public comments and preparation of the Final EIR will then take place, extending through the end of the calendar year and into early 2025. Once the Final EIR is complete and any recommended mitigation measures are integrated into the proposal, the Planning Commission and City Council will hold public hearings to consider adoption of the Final Downtown Specific Plan and certification of the EIR. Assuming the City Council adopts the plan and all supporting policies, the final step toward completion will be to submit the package of policy amendments to the California Coastal Commission for review and approval.

Staff expects this review to take several months, allowing for the amended and expanded Downtown Specific Plan to potentially take effect summer or fall of 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION: The policy direction sought here is not a formal policy adoption by the Council. The formal policy adoption will take place as part of the proposed amendments to the Downtown Specific Plan and associated documents, which will require environmental review prior to Council’s final consideration. Thus, at this stage, this item is considered exempt from CEQA under the categorical exemption in CEQA Guidelines Section 15306 – Information Collection – in that the direction is part of a study and analyses leading to an action which the City has not yet approved, adopted, or funded.

A DEIR, as discussed in the Next Steps section above, is being prepared for the project. The final proposed amendments to the Downtown Plan, General Plan, Local Coastal Program, Beach/South of Laurel Plan, and Municipal Code, together with the Final EIR, are anticipated to be considered by the Planning Commission for a recommendation to the City Council in 2025.

HEALTH IN ALL POLICIES (HiAP): The components of the current proposal are consistent with the Health in All Policies pillars of equity, public health, and sustainability in that they would encourage creation of both needed housing and economic opportunities and foster greater accessibility between the Downtown, San Lorenzo River, and beach areas. Development in the Downtown area is in close proximity to transit, jobs, amenities, and a wide range of entertainment and recreational activities, making it one of the most sustainable places to grow in the region. From an equity perspective, the project area will promote the production of new inclusionary low-income housing, including replacement housing for any existing low- and very-low income residents. This plan also supports active transportation modes that improve both personal health and environmental sustainability.

FISCAL IMPACT: This report is part of the grant-funded project to expand the Downtown Plan boundary. The total project cost is currently scoped to be \$555,000. Planning was awarded a grant for this project, totaling \$300,000, and general fund sources will be used to cover the full cost of the project beyond the grant amount. The City has adopted a General Plan Maintenance Fee that is applied to new development, and those funds are expected to cover the general fund expenses.

As the project area is built out, staff anticipates that the additional property, admissions, and sales taxes, together with any special assessments elected for the project area, will have positive impacts on the City’s long-term fiscal conditions. Provision of services to the area will result in additional costs to the City, but given the location, density, and efficiency of land uses under consideration, revenues should be expected to exceed expenses. Creating a new urban destination with distinct urban character and a major events venue of regional importance could make this project the center of a highly successful economic development endeavor, bringing residents and visitors from throughout the region into Santa Cruz and helping them navigate between key points of interest like the beach, river levee, and the downtown. Precise information on the longer-term fiscal implications will not be fully known until new uses and buildings are constructed and operating.

Prepared By:

Sarah Neuse
Senior Planner

Matt VanHua, AICP
Principal Planner

Submitted By:

Lee Butler, AICP, LEED AP
Director of Planning and
Community Development

Approved By:

Matt Huffaker
City Manager

ATTACHMENTS:

1. EXISTING STATE AND CITY HOUSING RIGHTS FOR TENANTS SUMMARY.DOC
2. SB 649 (CORTESE) TEXT.DOC
3. CITY LIMITS MAP OF OFF-SITE BELOW MARKET RATE HOUSING LOCATIONS.PDF
4. DOWNTOWN MAP OF OFF-SITE BELOW MARKET RATE HOUSING LOCATIONS.PDF



CITY OF SANTA CRUZ
TRANSPORTATION AND PUBLIC WORKS
COMMISSION
AGENDA REPORT

DATE: October 28, 2024

AGENDA OF: November 18, 2024

DEPARTMENT: Public Works

SUBJECT: 2025 Calendar of Transportation and Public Works Commission Meetings

RECOMMENDATION: Motion for the Transportation and Public Works Commission to approve the 2025 Meeting Calendar.

BACKGROUND: At its May 14, 2019 meeting, City Council approved Transportation and Public Works Commission (TPWC) bylaw changes that increased the number of meeting from 6 to 10 per year, excluding the months of July and December. Changes also include the option for a “project open house” public meeting. If desired by the majority of the TPWC, one of the ten annual meetings may be a “project open house” meeting organized and hosted by Public Works staff, with a purpose of informing the public of current and future projects and to allow for greater public comment on such projects. The date of such an event, if desired, shall be set by the Commission when it adopts its annual meeting calendar.

TPWC meetings are held on the third Monday of each month noted below, with the exception to Mondays that fall on federally recognized holidays (January and February). In those cases, the meeting dates are moved to the fourth Monday of that month.

DISCUSSION: The proposed 2025 schedule of meeting dates are as follows:

January 27
February 24
March 17
April 21
May 19
June 16
August 18
October 20
November 17

CEQA Determination: Not applicable.

FISCAL IMPACT: At its August 27, 2024 meeting, City Council adopted a resolution approving Council Policy 5.19 – Stipend for Advisory Body Members. This resolution establishes a stipend program for advisory body members to opt in for a stipend of \$75 per public meeting attended, going into effect January 2025. The City’s Health in All Policies (HiAP) Committee will analyze this program for the first

quarter of 2025. With 100% TPWC opt-in, it is estimated to cost \$5,250. Funds for the new program are available in the City Manager's Office FY 2025 adopted budget.

The City of Santa Cruz (City) is eliminating barriers for the stipend program by making funds available to all advisory body members, regardless of their demographic association, aligning with the City's HiAP pillar of equity.

Prepared by and Submitted by: Christina Alberti, Principal Management Analyst

Attachments:

None



CITY OF SANTA CRUZ
TRANSPORTATION AND PUBLIC WORKS
COMMISSION
AGENDA REPORT

DATE: 11/04/2024

AGENDA OF: November 18, 2024

DEPARTMENT: Public Works

SUBJECT: 2025 Pavement Rehabilitation Projects (c400809) – Striping Plans for Harvey West and Prospect Heights

RECOMMENDATION: Motion to provide feedback on the striping plans of the 2025 Pavement Rehabilitation Projects in Harvey West and Prospect Heights and recommend that City Council approve the striping plans.

BACKGROUND: Public Works has implemented a program to rehabilitate city streets plagued by deferred maintenance, under the City Arterial & Collector Street Reconstruction/Overlay project (c400809). This program targets heavily used arterial and collector streets. The City of Santa Cruz (City) uses the pavement condition index, or PCI, as a pavement condition measurement, which ranges from zero to 100. A newly constructed street will have a PCI of 100, while a failed street will have a PCI of 25 or less. The PCI is used to inform the cost-effective pavement rehabilitation treatment. By being proactive with pavement maintenance, the city reduces the lifecycle cost of the roadway.

The General Engineering and Transportation Engineering divisions meet annually to review roadways planned for pavement rehabilitation and identify where the priorities of pavement rehabilitation and transportation network improvements overlap. The Prospect Heights and Harvey West neighborhoods met that criteria for the 2025 project.

In Prospect Heights, the clockwise loop of Pacheco Avenue, Prospect Heights, and Morrissey Boulevard were identified for the project. The pavement rehabilitation treatment is expected to be micro-milling and micro-paving. This is a new treatment for the City and expected to have a similar cost to micro-surfacing, but is more durable and last longer. The transportation improvements are focused on school access to DeLaveaga Elementary School and Harbor High School.

In Harvey West, the project will include Encinal Street, Dubois Street, Harvey West Boulevard, and Coral Street between Harvey West Boulevard and River Street. The pavement rehabilitation treatment is expected to be cold-in-place recycling, a treatment that reuses existing materials in the roadway. The transportation improvements are focused on bicycle and pedestrian access along Encinal Street.

DISCUSSION: The transportation improvements feasible in pavement rehabilitation projects include constructing accessible curb ramps and restriping the roadway. Typically, minor

modifications to current conditions are feasible when there isn't substantial budget impact that would require additional outside funding.

Along Encinal Street, the travel lanes will be narrowed to include buffered bike lanes between River Street and Dubois Street, while still providing adequate access for the truck volumes typical of the neighborhood. A short section of sidewalk will be added on both sides of the street to complete the pedestrian routes across the railroad tracks, pending agreement between the City and the railroad operator. At the intersection of Sylvania Avenue and Encinal Street, curb extensions will be added to accommodate new accessible ramps but will still allow for truck access. On the other roadways, striping will be replaced in-kind and ramps made accessible. The three-way stop improvements at Coral Street and Limekiln Street will be maintained.

The Prospect Heights improvements are focused on improving the bicycle connections between Pacheco Avenue and DeLaveaga Elementary and Harbor High Schools. Along the DeLaveaga Elementary frontage, the crosswalks and loading zones will be refreshed. Allerton Street will be designated as a "low stress" route to provide alternative access to Morrissey Boulevard, which has high speed traffic.

The proposed "low stress" route includes a bike lane, in place of on-street parking on Pacheco Avenue, from Morrissey Boulevard to Allerton Street. The lane connects with the Morrissey Boulevard overpass and the Goss Avenue/Santa Cruz Church of Christ neighborhood bike route. The intersection of Rooney Street, Pacheco Avenue, and Morrissey Boulevard will get a protected intersection treatment on the north side, to complete the bike connections to the sidewalk/trail on the overpass, pending coordination with Caltrans. On Morrissey Boulevard, parking will be removed on both sides of the 1000 block and one side of the 1100 block to complete the bicycle lane network and provide access to DeLaveaga Elementary School.

The project is anticipated to be advertised in the first quarter of 2025, with construction taking place in summer or fall 2025. Plans can be found online at:
<https://www.cityofsantacruz.com/publicworksprojects>

CEQA Determination: Providing feedback on striping plans is not a project. Each of the projects will be individually analyzed for CEQA impacts.

Health in All Policies: The proposed project is in alignment with the General Plan and Active Transportation Plan. The General Plan calls for a "citywide interconnected system of safe, inviting, and accessible pedestrian ways and bikeways" (Goal M4) and to "maintain the condition of the existing road system" (M3.2.1) and "...maintain pavement in a condition that keeps maintenance cost to a minimum" (M3.2.6). The project promotes the following Health in All Policies Condition: Healthy Environments because pedestrian and bicycles improvements are included in the pavement rehabilitation project.

FISCAL IMPACT: The City Arterial & Collector Street Reconstruction/Overlay project (c400809) is funded by Measure D, Gas Tax and Measure H. There is no new impact to the General Fund.

Prepared by: Matt Starkey, P.E., Transportation Manager

Submitted by: Nathan Nguyen, P.E., Director of Public Works

Attachments:
None



CITY OF SANTA CRUZ
TRANSPORTATION AND PUBLIC WORKS
COMMISSION
AGENDA REPORT

DATE: November 4, 2024

AGENDA OF: November 18, 2024

DEPARTMENT: Public Works

SUBJECT: Pacific-Beach Roundabout Enhancements Project (c402507) – Authorization to Advertise and Award (PW)

RECOMMENDATION: Motion to provide feedback on the Pacific Beach Roundabout Enhancements Project (c402507) and recommend that City Council authorize staff to advertise for bids.

BACKGROUND: The purpose of the Pacific-Beach Roundabout Improvement Project (c402507) is to provide a new bike lane crossing of the railroad tracks at the northeast corner of the roundabout. The new northbound bike lane will provide a near perpendicular crossing of the railroad tracks, which is the recommended crossing method. It includes modifications to the sidewalk, streetlights, street grade, storm drain and retaining wall.

The concept design was completed by RRM Design Group as part of the Monterey Bay Sanctuary Scenic Trail Segments 8 and 9 (c401804) schematic design phase.

On August 25th, 2023, the City Council (Council) adopted resolution NS-30,138 authorizing the City to purchase permanent easements at 24 and 30 Front Street to construct the improvements. The easements cost \$144,463.00 and include approximately 62 square feet of AMN 007-212-09 and 509 square feet of APN 007-212-10 and were funded by the City's Liability Fund.

As part of the 2025 Capital Investment Program (CIP), the City of Santa Cruz (City) formally created the Pacific Beach Roundabout Enhancements project (c402507) to complete the final design and construction of the aforementioned improvements at the roundabout. The new project allows the City to expedite the improvements ahead of the Rail Trail project with the use of local funding.

On August 13th, 2024, Council approved a motion to award a contract to RRM Design Group for professional services in the amount of \$139,852.00 and to authorize the City Manager to execute an agreement in a form approved by the City Attorney and authorize the Director of Public Works to execute amendments within the approved project budget. RRM's project design deliverables are based on a construction completion date deadline of May 23rd, 2024, however, if there was a delay in the deliverables, the construction phase of the project would be moved to after the Summer of 2024.

DISCUSSION: A graphic of the proposed improvement is included as an attachment. Staff anticipates that the project will go to Council for approval in late January 2024 and be constructed from March to May 2025.

CEQA Determination: Providing feedback on roundabout enhancements is not a project. The project will be analyzed for CEQA impacts.

Health in all Policies: This project promotes the following Health in All Policies Conditions: Health and Wellness, Thriving Families Community Connectedness, Healthy Environments, and Safe & Just Community.

This proposed project is in alignment with and will assist to implement components of the General Plan, Health in All Policies, and Climate Action Plan. The General Plan calls for a “citywide interconnected system of safe, inviting, and accessible pedestrian ways and bikeways” (Goal M4). The Climate Action Plan includes the transportation objective to meet an 80% reduction in greenhouse gas (GHG) emissions by 2050 will be accomplished largely by providing low-carbon transportation options that rival the efficiency and safety of the automobile. This project supports Health in All Policies by improving safety for all roadway users. This project will help to achieve these General Plan, Health in All Policies, and Climate Action Plan goals by increasing safety for all roadway users and making Santa Cruz an easier, more connected place to move about.

FISCAL IMPACT: There is no fiscal impact with this action. The project (c402507) is estimated to be funded by the Traffic Impact Fee (TIF) program and City Liability Fund. The project construction cost is estimated at \$360,000.

Prepared by: Ricardo Valdes, P.E., Senior Professional Engineer
Submitted by: Nathan Nguyen, P.E., Director of Public Works

ATTACHMENTS:
Pacific Beach Roundabout Enhancements Project Plan

ATTACHMENT 1

