



INFORMATION REPORT

DATE: December 15, 2020

TO: City Manager

DEPARTMENT: Planning and Community Development

SUBJECT: **831 Water Street – Pre-application for Mixed-Use Development (PLFYI 053)**

APPROVED:

DATE:

BACKGROUND

On October 12, 2020 the Planning Department received a Pre-application (CP20-0121) to review a proposed development at the northwest corner of Water Street and North Branciforte Avenue (823, 831, 833, 905, and 907 Water Street). The purpose of the Pre-application review is to allow applicants to receive preliminary feedback from City staff. This enables an applicant to address significant design issues before a formal application is filed. For larger projects such as this, a Pre-application review allows early public input at community meetings in accordance with the City's Community Outreach Policy more fully discussed below.

PROJECT DESCRIPTION

The proposal being reviewed as part of this Pre-application includes demolition of the commercial buildings on the site and construction of two, five-story, mixed-use buildings that total 114,039 square feet. The proposed project includes 151 apartments (34 studios, 46 1-bedrooms, and 3 2-bedrooms) with shared underground parking, ground-floor commercial and residential amenity space, and rooftop open space and commercial bar/lounge. The project also includes a request for a State Density Bonus of 35% pursuant to providing a minimum of 11% of the base density units as affordable to Very Low Income households, however the applicant indicates that the project may provide as much as 51% of units as affordable to households between 30% and 80% of Area Median Income. The applicant is requesting increases in building height and Floor Area Ratio (FAR) as Density Bonus incentives/concessions and/or waivers, which would result in a 59-foot tall building where 40 feet is the maximum height in the zone district, and a 2.9 FAR where 2.75 is the maximum allowed in the General Plan. The applicant indicates that the variations are necessary in order to achieve the density and height needed for project feasibility and to accommodate density bonus units.

The Density Bonus is a requirement set forth by the State that all jurisdictions provide certain benefits to a residential project (greater than five units) that includes a specified percentage of deed-restricted affordable units at identified levels of affordability. The Density Bonus law specifies a variety of benefits for qualifying projects, such as increased density and maximum parking requirements, and it allows for deviations from objective standards through waivers and/or concessions/incentives. Staff is evaluating the project's compliance with the Density Bonus law and any discretion that the City may have in how it applies to this project.

INTERDEPARTMENTAL REVIEW

To date, an interdepartmental review meeting has been conducted to discuss the project and some written comments have been received from various departments. The following is a summary of some of the issues raised by interdepartmental review staff:

- Police Department (in conjunction with the Planning Department) are in the process of reviewing the proposed rooftop bar to determine if the use will be a high- or low-risk alcohol outlet and to determine if the use is acceptable in the proposed location.
- Fire Department requests revisions to address an existing 12-foot wide emergency access lane that was recorded in 2006 with the westerly adjacent Belvedere Cottages development and that runs through the southern portion of one of the parcels on the project site (APN 009-212-38).
- Public Works Department indicated that the project would require a traffic study to analyze parking and on-site circulation, the proposed driveway access off Water Street, and impacts to bicycle movement. The Public Works Department has also requested a dedication of right-of-way to develop a right-turn lane on southbound North Branciforte Avenue.

DESIGN DISCRETION

Since the Pre-application review was submitted, staff has created a [project webpage](#) in accordance with the Community Outreach Policy. The webpage allows for members of the public to comment on the proposal. Since creation of the webpage, a number of comments have been received expressing concern with the design and massing of the development and the lack of compatibility with the immediate neighborhood. At this early stage, Planning staff are hopeful that the applicant will be open to design suggestions from the Planning Department and the community to achieve a more harmonious appearance, though the City has to be mindful of requirements contained in recent housing-related legislation adopted by the State.

As noted in the Housing Study Session conducted on November 4th, the Housing Accountability Act (HAA) is a California state law designed to promote infill development. It limits the ability of local governments to restrict the development of new housing when the proposed development meets the City's "objective general plan and zoning standards", "does not cause a significant, adverse impact" to public health and safety, and meets the standards of the California Environmental Quality Act.

In order for the City to deny an application that meets the City's objective standards, it must make a written finding that the project creates a "significant, adverse impact" to public health and safety and provide substantial evidence to support said finding. The HAA also, among other things, eliminates the ability of jurisdictions from proposing modifications to a project that would reduce the number of units to be developed and from adopting new rules that would retroactively make the project non-compliant.

It should be noted that the HAA does not in any way supersede the City's obligation to mitigate impacts as required under the California Environmental Quality Act. For instance, the project site is within a mapped sensitive archaeological area. Adjacent developments to this site have discovered archeological resources from the Villa Branciforte settlement. An evaluation of impacts to those potential archeological resources will be required with a formal application.

COMMUNITY OUTREACH

A Community Meeting is required pursuant to the City's Community Outreach Policy for Significant Planning Projects, and the feedback provided may contribute to alterations in the project design and additional project entitlements. There are no formal actions that are taken to approve or deny a project that has been submitted for Pre-application review, rather the process results in feedback from the City and the community. The community meeting is tentatively scheduled for mid-January and will be conducted via online conferencing due to the COVID-19 crisis.

Although the City has received a petition to cancel the community meeting due to the Covid-19 crisis, doing so would actually result in a disservice to the community insofar as it would effectively eliminate an opportunity for the public to provide early input. The formal permit application process is subject to the permit processing timeframes established by the Permit Streamlining Act, and the project may be eligible for additional permit streamlining under recent housing bills; therefore, the timeframe within which to comment may be significantly shorter under a formal application. In other words, once a formal application is submitted, the City is legally bound to process it in accordance with timelines specified by the state. Delay of the community meeting on the Pre-application could just mean that the applicant submits a formal application to proceed without the input from the community meeting, and staff would be required to proceed with review of the formal application. Of note, plans submitted for Pre-application review are typically more flexible than the plans that are submitted with a formal permit application in that they are usually conceptual and not yet fully engineered; therefore, input from the community is very valuable at the early Pre-application review phase when changes are less costly and therefore easier to incorporate into the proposed design.

Staff has received feedback that some community members are uncomfortable participating in Zoom meetings. For those members of the public who are not comfortable attending a web-based community meeting, the project plans are available on the Planning Department's website at: <http://cityofsantacruz.com/831water>. This webpage is dedicated to the project and includes an online form that allows for the public to submit comments directly to the project manager. These comments are kept throughout the process as part of the public record and are provided to decision-makers in advance of a public hearing. The project webpage also contains an online form where community members who are interested in following the project can sign up for email alerts related to the project, such as community meeting notifications, formal application submittal, receipt of revised plans, or posting of project-related information on the website.

At this time, staff does not provide hard copy plans for public review due to COVID-19; however, staff could request that the developer provide hard copies of the plans for viewing without any personal contact needed through use of the locked bin located in front of the Planning Office.

Michael Ferry is the planner on this project.



VIEW FROM N BRANCIFORTE AVE AND WATER ST
E31 WATER ST - 8/20/20



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ATTACHMENTS:
None