

February 10, 2021

City Santa Cruz Planning Department
Attn: Samantha Haschert, Principal Planner
809 Center Street, Room 206
Santa Cruz, CA 95060

RE: Calypso
130 Center Street
Project Description

Swenson Builders is proud to present our proposed development, Calypso, located at 130 Center Street, a 6-story mixed-use development project consisting of two retail commercial spaces with food use flexibility, and 233 residential Single Room Occupancy (SRO) units. The project will provide 209 parking spaces in accordance with and exceeding city parking standards.

The proposed development has been designed to activate the street frontage to encourage pedestrian activity and engagement as a main connection of Center Street to and from the beach and Downtown Santa Cruz. The project is applying for a State Density Bonus in order to achieve its proposed heights, Floor Area Ratio (FAR), and setbacks.

Conformity

Under the city's objective development standards, Swenson developed a conforming project that meets the activation of street fronting setback area by providing a 15 foot setback from the property line, 36-foot height limit, and a building not larger than a 1.75 Floor Area Ratio (FAR). Under these development guidelines, Swenson has provided a plan set for a three-story project that provides 155 SRO units, with 2,139 square feet of commercial retail space, and 166 parking spaces. In an effort to provide a project that is conforming under the R-T (C) district zoning designation, Swenson seeks to apply the CA State Density Bonus under Government Code Section 65915 with addition to AB 2345 that went into effect January 1, 2021.

Density Bonus, AB 2345, and Affordable Inclusionary Requirement

The project will conform to the City of Santa Cruz's inclusionary affordability ordinance requirement. Currently, the ordinance requires the project to allocate 20 percent of the conforming project (3-story model) to be designated as Moderate Income. Based on the 155 SRO units for the overall project, 31 units will be provided as part of the inclusionary requirement.

Due to the city's ordinance, by requiring all new projects to provide 20 percent inclusionary units at Moderate Income levels, projects automatically qualify for a State Density Bonus. Furthermore, the establishment of AB 2345 permits a Density Bonus for a

development project of up to a 50 percent increase based upon the affordability designation of the inclusionary units.

For this project, of the total 31 inclusionary units of the base conforming 155 unit 3-story model, Swenson is allocating 23 units (15 percent) as Very Low-Income and 8 units (5 percent) as Moderate Income. According to AB 2345 Government Code Section 65915 (f) (2), if 15 percent of the total conforming model are designated Very Low-Income, development projects then qualify for an additional 50 percent Density Bonus of Market Rate units. The remaining 8 units will remain Moderate Income under the City of Santa Cruz's inclusionary requirement.

In addition to the 50 percent Density Bonus qualifier, the project is also located within a half-mile of the Downtown Transit Station and is seeking a parking requirement reduction based upon these findings and to provide housing and equitable access to public transit. City Planning Staff have indicated that if a development includes the maximum percentage of low-income or very low-income units required for a 35 percent Density Bonus and is located within ½ mile of major transit stop and there is unobstructed access to Metro Transit Station = 0.5 space/bedroom. This rule should still apply even with density bonus percentage increase changes made by AB 2345 based on Government Code Section 65915 (p) (7).

Per Government Code Section 65915 (d) (C), three incentives or concessions for projects that include at least 24 percent of the total units for lower income households, at least 15 percent for very low-income households, or at least 30 percent for persons and families of moderate income in a common interest development. Swenson is providing 15 percent Very Low-Income units and is seeking to utilize three incentives for the Density Bonus model that fall under the category of a reduction in site development standards or a modification of zoning or architectural design requirements that exceed minimum building standards approved by the California Building Standards Commission (e.g. a reduction in setback and square footage requirements). Swenson will pursue a reduction in development site standards pertaining to height, FAR, and setbacks.

Housing Accountability Act

Swenson has designed the 3-story project with the intent to meet all objective standards outlined in the Beach and South of Laurel Plan and all code requirements set forth in the Zoning Code. The proposed project has been designed to be conforming in all respects to the codified standards of the City of Santa Cruz. Per the Housing Accountability Act (HAA), a housing project that is consistent with objective development standards cannot be denied.

Local Coastal Program and Beach and South of Laurel Plan

Page 49 of Volume 1 within the Local Coastal Program, the following policies apply to the proposed development site:

2.6.3 Prioritize development of high-density mixed use residential and commercial development in the City's Downtown Central Business District, North River

Street, and South of Laurel areas over undeveloped lands at the periphery of the City. (See policies under CD 1.1, H 1.3.1.1, and H 1.3.1.3)

2.6.4.3 Allow and encourage residential development in non-residential districts and developed appropriate design guidelines and incentives for this type of development. (See policies under L 2.9)

In addition to the above policies, the LCP makes no mention of objective height restrictions to the proposed development site.

The Beach and South of Laurel Plan provide design guidelines for the South of Laurel Area. The incorporated architecture for this project is Spanish Revival, as suggested by the area plan. The specific objective standards from the plan request that the second story be differentiated from the lower floor by wall offsets, stepbacks, balconies or other features. In addition the building volume shall have facades designed to be proportional to overall building and reflect the architectural style. Building volumes shall be reduced through wall offsets and projections. Such variations shall be designed so that there is no more than 25 linear feet of unvaried façade. For both models, the 3-story and 6-story, these design goals have been accomplished by incorporating tilework, balconies and decks, awnings, arbors and trellises, and varied building offsets and projections throughout the design of the building.

We thank City Planning Staff and all other departments for their time in reviewing our project. Please let us know if you have any questions or need any further information. I can be reached at 831-475-7100.

Sincerely,



Jessie Bristow
Development Project Manager
Swenson Builders