



1111 Broadway, 24th Floor
Oakland, CA 94607-4036

T: 510.834.6600
F: 510.834.1928

www.wendel.com
amorrison@wendel.com

February 11, 2021

Mr. Lee Butler
Community Development Director
City of Santa Cruz
809 Center Street
Room 107 and 101
Santa Cruz, CA 95060

Via email: lbutler@cityofsantacruz.com

Re: 831 Water Street – Mixed-Use Development (PLFYI 053)

Dear Mr. Butler:

Wendel Rosen, LLP represents Novin Development Corporation ("Client") in connection with a proposed mixed-use development project located at the northwest corner of Water Street and N. Branciforte Avenue in the City of Santa Cruz. The project, as proposed, includes the construction of two, five-story, mixed-use buildings totaling 114,039 square feet and proposes 151 apartments (50% of which will be affordable) with shared underground parking, ground-floor commercial and residential amenity space (the Project"). We understand our Client has submitted a pre-application to the City of Santa Cruz ("City") and that a community meeting was held on January 27, 2021 pursuant to the City's request.

The purpose of this correspondence is to inform the City that our Client intends to submit an application for Project approval pursuant to Government Code Section 65913.4 ("SB 35"). SB 35 authorizes an eligible development project to be evaluated through a streamlined and ministerial review process. If a project meets the requirements of SB 35, then it is eligible for the streamlined, ministerial process under Government Code Section 65913.4. The requirements of SB 35 are listed in the following table with an initial determination that supports the Project's processing pursuant to SB 35. A more detailed analysis will be submitted in connection with the formal SB 35 application.

Eligibility Requirements		Yes?	No?
1.	Has HCD has determined that the local agency is subject to SB 35?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Eligibility Requirements		Yes?	No?												
HCD's determination regarding SB 35 eligibility for all jurisdictions in California is available online at: http://www.hcd.ca.gov/community-development/housing-element/docs/SB35_StatewideDeterminationSummary.pdf															
2.	<p>Is the project a multifamily housing development (2 or more units)?</p> <p>California Government Code Section 65589.5(h)(2) defines a "housing development project" as a project consisting of any of the following:</p> <p>(A) Residential units only.</p> <p>(B) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.</p> <p>(C) Transitional housing or supportive housing.</p> <p>Based on a review of the plans and supplemental information, the proposed project complies with 65913.4(b)(2)(C) of the Government Code by proposing a mixed-used development with at least 2/3rds of the area designated for residential use as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Land Use</th> <th>Square Footage</th> <th>% of Total</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>105,092</td> <td>92.2</td> </tr> <tr> <td>Retail</td> <td>8,947</td> <td>7.8</td> </tr> <tr> <td>TOTALS</td> <td>114,039</td> <td>100</td> </tr> </tbody> </table>	Land Use	Square Footage	% of Total	Residential	105,092	92.2	Retail	8,947	7.8	TOTALS	114,039	100	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Land Use	Square Footage	% of Total													
Residential	105,092	92.2													
Retail	8,947	7.8													
TOTALS	114,039	100													
3.	<p>Has the applicant dedicated the applicable minimum percentage of units in the project to households making below 80% of the area median income?</p> <p>HCD has identified the City of Santa Cruz as a "50% Affordable Housing jurisdiction" for purpose of SB 35 streamlining and ministerial review. Additional information can be found online at: https://www.hcd.ca.gov/</p> <p>The Project includes 151 dwelling units of which 50% are affordable to very-low income and low income households earning annual incomes less than 80% of the Area Median Income.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>												

Eligibility Requirements		Yes?	No?
4.	<p>If the site is in a City, is a portion of the City designated by the Census as either an “urbanized area” or “urban cluster,” or, if the is in an unincorporated area, is the parcel entirely within the boundaries of “urbanized area” or “urban cluster”?</p> <p>The U.S. Census data identifies the City of Santa Cruz as an urbanized area. For more information, please see:</p> <p>https://www2.census.gov/geo/maps/dc10map/UAUC_RefMap/ua/ua79336_santa_cr_uz_ca/DC10UA79336.pdf</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.	<p>Does at least 75% of the perimeter of the site adjoin parcels currently or formerly developed with “urban uses”?</p> <p>Government Code Section 65913.4(h)(8) defines “urban uses” to mean any current or former residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.</p> <p>The site at which the development is proposed is adjacent to residential uses to the east and north, commercial and residential uses across N. Branciforte Avenue to the south, and commercial uses across Water Street to the west. Therefore, more than 75% of the perimeter of the site adjoin parcels currently developed with “urban uses” as defined in Government Code Section 65913.4(b)(2)(B).</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6.	<p>Does the site have either zoning or a general plan designation that allows for residential use or residential mixed-use development?</p> <p>The Santa Cruz General Plan 2030 identifies the parcels at the site which are designated Mixed Use High Density (MXHD). This General Plan designation allows for a mix of uses including residential and commercial uses; therefore, the proposed mixed-use residential project is eligible for the streamlining and ministerial review process allowed under SB 35.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7.	<p>Does the project involve a subdivision of land and the development is subject to a requirement that prevailing wages will be paid and a skilled and trained workforce will be used?</p> <p>The applicant will request a tentative map. In addition, the applicant, will certify that the project will be subject to the applicable requirements of</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Eligibility Requirements		Yes?	No?
Government Code Section 65914.3(a)(8) related to the payment of the general prevailing rate of per diem wages for all construction workers and that a skilled and trained workforce will be used.			
8.	<p>Does the project meet density requirements, “objective zoning standards,” and “objective design review standards”?</p> <p>The Project meets the maximum allowable General Plan density for the site. and is seeking a density bonus of 50% pursuant to State Density Bonus Law. The zoning for the site (Community Commercial) is not consistent with the General Plan land use designation (MXHD). Government Code Section 65914.3 states if there is a conflict between the objective standards in the General Plan and the Municipal Code, the General Plan standards prevail. The Project will meet applicable objective standards in the General Plan and the Municipal Code.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9.	<p>Is the project outside of each of the following areas?</p> <ul style="list-style-type: none"> • Coastal zone – <i>The General Plan and coastal zone maps do not identify the Project site within a Coastal Zone.</i> • Prime farmland or farmland of statewide importance – <i>The General Plan does not identify any portions within the City to be prime farmland or farmland of statewide importance.</i> • Wetlands as defined under federal law – <i>No portion of the Project site is located in a wetland as defined under federal law.</i> • Earthquake fault zones – <i>The Project site is not shown on the California Department of Conservation Earthquake Zones of Required Investigation Map. The parcel is designated as “Parcel is not in a zone or has not been evaluated.”</i> • High or very high fire hazard severity zones – <i>No portion of the site is located within the high or very high fire hazard severity zones.</i> • Hazardous waste site – <i>No portion of the site is identified as a hazardous waste site per the U.S. Environmental Protection Agency or the California Environmental Protection Agency.</i> 	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Eligibility Requirements		Yes?	No?
<ul style="list-style-type: none"> • FEMA designated flood plain or floodway – <i>No portion of the site is located within a FEMA designated flood plain or floodway.</i> • Protected species habitat – <i>No portion of the site is located within a protected species habitat.</i> • Lands under a conservation easement – <i>No portion of the site is subject to a conservation easement.</i> • Lands designated for conservation in a habitat conservation plan – <i>No portion of the site is subject to conservation in a habitat conservation plan.</i> • A site that would require demolition of (a) housing subject to recorded rent restrictions, (b) housing subject to rent control, (c) housing occupied by tenants within past 10 years, or (d) an historic structure placed on a local, state, or federal register – <i>The site has historically been used and operated as a car wash. There has never been any housing located on the project site; therefore, no housing is proposed to be demolished. There are no “historic structures” which are listed on a national, state or federal register located on the property.</i> • A site that previously contained housing occupied by tenants within past 10 years – <i>The site has historically been used and operated as a car wash. There has never been any housing located on the Project site.</i> • A parcel of land governed by the Mobile home Residency law, the Recreational Vehicle Park Occupancy Law, the Mobile home Parks Act, or the Special Occupancy Parks Act. – <i>The site has historically been used and operated as a car wash. There has never been any housing, mobile or otherwise, located on the project site. Therefore, the site is not governed by any of the laws and Acts identified.</i> 			
10.	<p>Has the project proponent certified that either the entire development is a “public work” for purposes of the prevailing wage law or that the construction workers will be paid at least the prevailing wage?</p> <p>The Project is not a public work for purposes of the prevailing wage law and the applicant will certify that all construction workers will be paid at least the prevailing wage.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11.	<p>Has the project proponent certified that “a skilled and trained workforce” will be used to complete the development, if the requirement is applicable?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Eligibility Requirements	Yes?	No?
Government Code 65914.3(a)(8)(B)(ii) defines a skilled and trained workforce for purposes of this section to have “the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.” The applicant will certify that a skilled and trained workforce will be used to complete the development, since that is a requirement to allow streamlined and ministerial review and approval of the tentative map application.		

A more detailed analysis of the Project's eligibility for SB 35 processing will be submitted in connection with a formal SB 35 application. Please note, while Novin Development has voluntarily participated in a community meeting, SB 35 applications are ministerial and are not subject to public meetings.

Thank you and please do not hesitate to contact either me or my partner, Patricia Curtin (pcurtin@wendel.com) should you have any questions.

Very truly yours,

WENDEL ROSEN LLP



Amara Morrison

ALM/mw

cc: Client
Mike Ferry, Planner
Samantha Haschert, Principal Planner
Mark Rhoades, Rhoades Planning Group
Mark Donahue, Lowney Architecture