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COMPREHENSIVE PLANNING,  
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**LEE BUTLER, DIRECTOR**

December 16, 2021

Sam Woodburn  
 Iman Novin  
 30 West Beach Street, Suite 105  
 Watsonville, CA 95076

**RE: 831 Water Street CP20-0121 APN 009-212-30, -31, -38**

SB 35 Consistency Determination and Accompanying Density Bonus Request for an Affordable Housing Project Proposed Pursuant to SB 35 (Planning and Zoning: Affordable Housing: Streamlined Ministerial Approval Process). The Proposed Project Includes Demolition of Existing Commercial Buildings and Construction of a Five-story Mixed-use Building and a Four-story Residential Building Consisting of Approximately 4,336 Square Feet of Ground Floor Commercial and 140 Residential Units (With 50% of the Base Units as Affordable per SB35) with Shared Underground Parking. (Owner: Novin Development Corp.)

The Planning and Community Development Department has concluded its review of the above-referenced SB 35 application to redevelop the property located at 831 Water Street. The proposed mixed-use project consists of two separate multi-story buildings over a shared underground parking garage accessed from Water Street. The eastern building (Building A), is proposed at five stories in height, with 2,086 square feet of ground floor retail facing the corner of N. Branciforte Avenue and Water Street, five live/work (2,250 square feet of work/retail) units facing Water Street, and a mix of 69 units consisting of studio, one-bedroom, two-bedroom, and three-bedroom units. The western building (Building B) is proposed at four stories in height, with a community room, office, laundry and lobby on the first floor. It would contain 71 units consisting of studio, one-bedroom, and two-bedroom units.

Pursuant to Government Code section 65913.4, the Planning and Community Development Department finds that the proposed project is consistent with the City’s objective planning standards and is eligible for streamlined, ministerial review under state law.

Government Code Section 65913.4 SB 35 Eligibility Requirements	Requirement Satisfied?
<p><b>1. Is the project a multifamily housing development with 2 or more units?</b>  <b>Subd. (a)(1).</b></p> <p>Response: The project is mixed-use with ground floor commercial and 140</p>	<p>Yes</p>

multi-family residential units.	
<p><b>2. Is the project located in an area designated by the U.S. Census Bureau as an urbanized area? Subd. (a)(2)(A).</b></p> <p>Response: The project is located inside an urbanized area in the City of Santa Cruz.</p>	Yes
<p><b>3. Is more than 75% of the project site’s perimeter developed with urban uses? Subds. (a)(2)(B), (h)(8).</b></p> <p>Response: SB 35 defines “urban uses” as “any current or former residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses.” Based on these standards, the entirety of the Project site’s perimeter is developed with urban uses including current residential and commercial uses.</p>	Yes
<p><b>4. Does the site have either a zoning or a general plan designation that allows for residential use or residential mixed-use development, with at least two-thirds of the square footage designated for residential use? Subd. (a)(2)(C).</b></p> <p>Response: The General Plan land use designation for the site is “MXHD – Mixed High Density” within the Lower Eastside neighborhood. The General Plan designation states that “These mixed-use designations support the General Plan’s goals and policies by encouraging new housing in places well served by transit”. The zoning district, “C-C Community Commercial”, seeks to “encourage a harmonious mixture of a wide variety of commercial and residential activities”. The zoning district allows for residential and mixed-use residential, and would allow for two-thirds of the square footage to be designated for residential use.</p>	Yes
<p><b>5. Has the Department of Housing and Community Development (HCD) determined that the local jurisdiction is subject to SB 35? Gov’t Code Sec. 65913.4(a)(4)(A).</b></p> <p>Response: In June, 2020, HCD issued a revised determination regarding which jurisdictions throughout the State are subject to streamlined housing development under SB 35. The City of Santa Cruz is subject to SB 35 because of its insufficient progress towards providing very low-income housing. Therefore, projects are eligible for streamlining under SB 35 for proposed developments with at least 50% affordable units.</p>	Yes
<p><b>6. Will the project include the required percentage of below market rate</b></p>	Yes

<p><b>housing units? Subd. (a)(3) and (a)(4)(B)</b></p> <p>Response: With a base density of 109 units, a minimum of 55 affordable units would be required to be provided for the project to qualify for SB 35 streamlining. The 55 units will be restricted to households at 80% AMI and restricted to rents at 60% AMI. These numbers are consistent with the objective standards in the inclusionary ordinance, Density Bonus ordinance and state law, and SB35 legislation</p>	
<p><b>7. Is the project consistent with “objective zoning standards” and “objective design review standards?” Subd. (a)(5)</b></p> <p>Response: The project is consistent with all of the objective standards.</p>	Yes
<p><b>8. Is the project located outside of all types of areas exempted from SB 35? Subd. (a)(6-7), (10).</b></p> <p>Subd.(a)(6) exempt areas:</p> <ul style="list-style-type: none"> <li>- Coastal zone</li> <li>- Prime farmland or farmland of statewide importance</li> <li>- Wetlands</li> <li>- High or very high fire hazard severity zones</li> <li>- Hazardous waste sites</li> <li>- Earthquake fault zone (unless the development complies with applicable seismic protection building code standards)</li> <li>- Floodplain or floodway designated by FEMA</li> <li>- Lands identified for conservation in an adopted natural community conservation plan or habitat conservation plan</li> <li>- Habitat for a state or federally protected species</li> <li>- Land under a conservation easement</li> </ul> <p>Response: The project site is not located on any of the above areas.</p> <p>Subd. (a)(7) exempt areas:</p> <p>A development that would require the demolition of housing that:</p> <ul style="list-style-type: none"> <li>- Is subject to recorded rent restrictions</li> <li>- Is subject to rent or price control</li> <li>- Was occupied by tenants within the last 10 years</li> <li>- A site that previously contained housing occupied by tenants within past 10 years</li> <li>- A development that would require the demolition of a historic structure on a national, state, or local register</li> </ul>	Yes

<p>- The property contains housing units that are occupied by tenants, and units at the property are/were offered for sale to the general public by the subdivider or subsequent owner of the property.</p> <p>Response: There have been no dwelling units on the property at any point during the last ten years.</p> <p>The site is within an archaeologically sensitive area and an archaeological report has been prepared.</p> <p>Subd. (a)(10) exempt areas:</p> <ul style="list-style-type: none"> <li>- Land governed under the Mobilehome Residency Law</li> <li>- Land governed by the Recreational Vehicle Park Occupancy Law</li> <li>- Land governed by the Mobilehome Parks Act</li> <li>- Land governed by the Special Occupancy Parks Act</li> </ul> <p>Response: The project site is not located within an exempt area on land governed by any of the above laws.</p>	
<p><b>9. If the Project is not a public work, has the proponent certified that all construction workers employed in the development project be paid prevailing wages? Subd. (a)(8)(A).</b></p> <p>Response: The applicant will have to certify that all construction workers employed in the execution of the development will be paid at least the general prevailing rate of per diem wages.</p>	<p>Yes – This is a condition of approval</p>
<p><b>10. Has the applicant made the required “skilled and trained workforce” certification, to the extent applicable? Subd. (a)(8)(B).</b></p> <p>Response: The “skilled and trained workforce” certification requirement is inapplicable if the Project proposes fewer than 75 units. If the project proposes more than 75 units then the labor requirement applies. Gov. Code §65913.4(a)(8)(B)(i)(I).</p> <p>The project will have to provide a skilled and trained workforce.</p>	<p>Yes – This is a condition of approval</p>
<p><b>11. If the project involves a subdivision, are the criteria in subd. (a)(9) satisfied?</b></p> <p>Applicant has proposed a lot line adjustment to reduce the number of lots from three to two.</p>	<p>A subdivision is not proposed.</p>

This letter is the final eligibility/consistency determination. The applicant has agreed to the attached conditions of approval that are objective and broadly applicable to development within the locality, regardless of streamlined approval, and such conditions implement objective standards that had been adopted prior to submission of the development application.

Please feel free to contact me at (831) 420-5141 or [rbane@cityofsantacruz.com](mailto:rbane@cityofsantacruz.com) if you have any questions regarding this letter or the process.

Sincerely,

Ryan Bane  
Senior Planner

Attachments:

1. Conditions of Approval