

January 7, 2022

City Santa Cruz Planning Department
Attn: Clara Stanger, Senior Planner
809 Center Street, Room 206
Santa Cruz, CA 95060

RE: 530 Front Street Mixed-Use Development Application
Program Statement

Swenson Builders is proud to present Five30 Front Street, a mixed-use development project consisting of seven commercial spaces, including one designated restaurant space, and 276 residential rental units. The project will provide three commercial spaces along Front Street, at the corner of Soquel Avenue and the levee, the restaurant space will act as a centerpiece to the gateway corner and draw visitors to the levee and visible attraction from the street. The remaining commercial spaces will activate the levee and publicly accessible open space per the Downtown Plan.

Conformity

Under the city's objective development standards, Swenson developed a conforming project that meets all design standards of the Downtown Plan and Under these development guidelines, Swenson has provided a plan set for a six-story project that provides 184 apartment units, with 7,301 square feet of commercial retail space, and 185 parking spaces. In an effort to provide a project that is conforming under the Central Business 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 (6-story model) to be designated as Moderate Income. Based on the 184 apartment units for the overall conforming project, 37 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, 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. Swenson will be providing an additional 50 Density Bonus of 92 units.

For this project, a total 28 inclusionary units of the base conforming 184 unit 6-story model will be Very Low-Income and 9 inclusionary units will be Moderate Income in order to qualify for the maximum 50% Density Bonus. 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.

Per the updated CA Density Bonus law, parking requirements for projects with at least 11% very low income or at least 20% lower income units, which are located within ½ mile from an accessible major transit stop, are reduced from ½ space per bedroom to ½ space per unit.

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/unit. 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 two 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 Density Bonus waivers through a reduction in development site standards pertaining to height, setbacks, and some architectural design standards.

Public Outreach and Levee Interface

The proposed development has been designed to activate the levee space between the levee path and development property to provide public amenities along the riverfront, and to promote commercial and pedestrian activity as well.

From the Community Engagement process, Swenson received feedback from city staff and the community to incorporate an amphitheater at the levee interface. Since the Pre-Application Community Meeting, Swenson has since redesigned the southern portion of the levee to accommodate this feature. Additionally, city staff requested two separate commercial spaces at the south end of the levee interface to be enlarged to ensure economic feasibility. The revisions combined the two spaces and orientated the commercial frontage to engage and promote activity along the deck and with amphitheater users. A Bike café was also added to the levee to further active and promote walking and biking. Additionally, the City of Santa Cruz's Parks and Recreation Department also



requested the unused triangular lot along the levee be incorporated into the riverwalk design.

The proposed development is pursuing the Height Zone B allowance through the required design guidelines provided in the Santa Cruz Downtown Plan. The proposed conforming project will reach a maximum height of no more than 70 feet. A height waiver will be used for the density bonus, allowing an additional two floors, with a building height maximum of 89 feet. The proposed building has been designed to meet all required setbacks and building breaks identified in the Santa Cruz Downtown Plan.

As part of the Downtown Plan, the improved levee area will be built as part the development. The landscaping and maintenance will be part of the management of the property and grounds. The hardscaped impervious areas will be the allocated space for the development to pay into as an encroachment permit to the City of Santa Cruz to utilize the public space in perpetuity of the development. However, with the input from city staff and community requesting the incorporation of a passive amphitheater, Swenson feels it is appropriate that the long term programming and control of the amphitheater space be the responsibility of the city and/or any partnering organization.

19,814 square feet of hardscape (pervious and impervious) will be installed to activate the levee including a bocce ball court, open seating areas, a passive park/amphitheater with stairs connecting the levee and proposed development, two staircases, and pathway connecting to the levee riverwalk and Soquel Ave. A deck will also serve the restaurant space and will have public access. All businesses along the levee deck interface, will be publicly accessible and open to the public to utilize during operating hours.

Housing Accountability Act

Swenson has designed the 6-story project with the intent to meet all objective standards outlined in the Downtown 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 and with feedback from planning staff as part of the Pre-Application and Development Application Process. Per the Housing Accountability Act (HAA), a housing project that is consistent with objective development standards cannot be denied.

Thank you for your time and we look forward to continue working with city staff to bring this project to fruition. 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