

A MARKET STUDY OF:

**CEDAR STREET
FAMILY
APARTMENTS**

A MARKET STUDY OF:

CEDAR STREET FAMILY APARTMENTS

532 Center Street
Santa Cruz, Santa Cruz County, California 95060

Inspection Date: December 21, 2020
Effective Date: June 28, 2021
Report Date: June 30, 2021

Prepared for:
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June 30, 2021

Marcus A. Griffin
Principal
Milestone Housing Group, LLC
481 N. Santa Cruz Avenue, Suite 310
Los Gatos, CA 95030

Re: Market Study of Cedar Street Family Apartments
Located at the 532 Center Street, Santa Cruz, California 95060

Dear Marcus Griffin:

At your request, Novogradac Consulting LLP has performed a market study of the multifamily rental market in Santa Cruz, Santa Cruz County, California relative to the above-referenced proposed affordable housing project. Note that we previously completed an application market study for the Subject in December 2020.

The purpose of this market study is to assess the viability of Cedar Street Family Apartments (Subject), a proposed new construction 65-unit Low Income Housing Tax Credit (LIHTC) development to be located at 532 Center Street in Santa Cruz, Santa Cruz County, California. The property will offer 64 affordable rental units restricted to family households earning 30, 50, and 60 percent of the area median income (AMI) or below, in addition to one non-rental manager's unit. Note that 16 units at 30 percent of AMI will be reserved as Permanent Supportive Housing (PSH), targeting a homeless tenancy. Eight of the units will operate with Project-based Vouchers (PBV) through the Santa Cruz Housing Authority. The remaining eight units will have rents offset through capitalized rent reserve, and tenants in these units will pay 30 percent of their income towards rent. The Subject will also offer 5,000 square feet of ground-floor commercial space; however, a commercial analysis is outside of the scope of this report.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. This report incorporates LIHTC rent and income restrictions. The scope of this report includes the following and is compliant with TCAC market study guidelines:

- Inspecting the site of the Subject and the general location
- Project Description
- Supply Analysis
- Market Area Analysis
- Demand Analysis
- Absorption Analysis
- Conclusions and Recommendations
- TCAC Matrices

The depth of discussion contained in the report is specific to the needs of the client, specifically the requirements of CDLAC/TCAC pursuant to 2021 guidelines and National Council of Housing Market Analysts (NCHMA) market study requirements. The NCHMA is a professional organization chartered to promote the development of high-quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which is a comprehensive market analysis full narrative report, conforms to those standards; any slight

modifications or departures from those standards are considered incidental and result from client or agency specific needs. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

Milestone Housing Group, LLC, is the client in this engagement. We understand that they will use this document to assist in obtaining tax credits. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Milestone Housing Group, LLC, owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

The authors of this report certify that there exists no identity of interest between the analysts and the entity for which the report is prepared, the applicant or its principals (general partners, members, etc.). The recommendations and conclusions are based solely on the professional opinions and best efforts of the analysts.

The Subject site and the comparables were inspected on December 21, 2020. Jazelyn Jose inspected the Subject site and comparable market data incorporated in this report and is competent to perform such analyses. At the request of the client and in accordance with TCAC guidelines, we have not re-inspected. The comparable information and all market data were updated between June 22 and June 28, 2021, the latter of which will serve as the effective date of the report.

Over the past seven years, Novogradac Consulting LLP has completed five prior appraisals or market studies within Santa Cruz County. Rachel Denton has over 18 years of multifamily real estate experience. K. David Adamescu has over 10 years of multifamily real estate experience. Finally, Robert McCarthy has over three years of multifamily real estate experience.

The COVID-19 coronavirus has caused an international pandemic and we have seen government across the globe take dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health system. We are already seeing these efforts result in extensive impacts to economic activity. Governments have implemented significant economic stimulus packages to help with the economic impact. At this point, it appears that the stimulus packages will blunt the impacts from the emergency measures. Further, some general trends are observed:

- *The rollout of vaccinations for COVID-19 began in December 2020. The delivery of vaccinations will further advance mitigation of the adverse impacts of the COVID-19 pandemic.*
- *Clients and market participants throughout the country report May 2021 collections that are better than expected for all types of multifamily properties. According to a report from the National Multifamily Housing Council, the May 2021 rent collection figures were essentially flat year-over-year from May 2020. Note that the apartments in this sample are market rate apartments in multifamily buildings and do not include affordable units. Through June 6, 2021, 77.0 percent of households made full or partial rent payments for June, according to the National Multifamily Housing Council. Although nearly one-in-four renters did not pay their rent in the first week of the month, the majority of these missed payments are made up with late payments by the end of the month. A significant change in the market is not yet discernible more than one year into the pandemic and we continue to be relatively optimistic about the market's ability to weather the current economic storm.*
- *Based upon various conversations with market participants and published articles and webinars many believe that multifamily real estate will be impacted but significantly less so than other sectors. Further, the*

impact is expected be shorter lived. Many view multifamily as a safer haven during this period of uncertainty. Note that this has proven to be the case 16 months into the pandemic. The Subject is projected to be completed in November 2023.

- *Novogradac maintains a proprietary database of operating results from our surveys of affordable and market rate properties. The database was implemented in 2005 and contains over 100,000 individual properties. The national occupancy rate for two-bedroom, 60 percent LIHTC properties dipped slightly during the Great Recession, but began a rebound after 2009. In 2008, the occupancy rate was 96.3 percent and it dropped less than one percentage point during the slowdown, to 95.4 percent in 2009 before beginning a gradual increase that slowed between 2016 and 2018 but continued through 2019. While this recession will undoubtedly be different than the last, this performance supports the points made above and illustrates the resilience in the affordable housing sector.*
- *States have rolled back stay at home orders and have lifted mask mandates. All restrictions and mandates related to the COVID-19 pandemic have been lifted within Santa Cruz County.*
- *Overall, given the local economy's performance during the COVID-19 pandemic, we maintain that the MSA will experience a slower recovery from the impacts of the pandemic than the overall nation.*
- *There have been affordable transactions that commenced prior to shut-down and during the COVID-19 pandemic that have closed without adjustment. The affordable market, both in terms of new development and acquisition, remains very active throughout the country.*
- *We have also surveyed the comparable properties to assess the impact of the COVID-19 pandemic on turnover and tenant inability to pay rent as a result of furloughs and job losses. As illustrated the following table, there has been limited overall impact at the comparables.*

IMPACTS FROM COVID-19 PANDEMIC

#	Comparable Property	City	Rent Structure	Tenancy	Turnover Related to COVID-19	% Delinquent due to COVID-19
1	Neary Lagoon	Santa Cruz	LIHTC	Family	None	10%
2	Nueva Vista Apartments	Santa Cruz	LIHTC	Family	None	0%
3	Riverwalk Apartments	Santa Cruz	LIHTC	Family	None	0%
4	1010 Pacific Apartments	Santa Cruz	Market, Workforce	Family	N/A	N/A
5	Breakwater Apartments	Santa Cruz	Market	Family	None	0%
6	Chestnut Street Apartments	Santa Cruz	Market	Family	None	Some
7	Corcoran Garden Apartments	Santa Cruz	Market	Family	None	0%
8	Cypress Point Apartments	Santa Cruz	Market	Family	None	0%
9	Five55 Pacific	Santa Cruz	Market	Family	None	0%
10	San Lorenzo Court	Santa Cruz	Market	Family	None	0%
11	The Breakers	Santa Cruz	Market, Measure O - 60%	Family	N/A	N/A

For the properties experiencing issues with tenant inability to pay rent, managers have developed a variety of payment plans or payment deferrals, which vary in length, to limit turnover and to alleviate the current strain on tenants. Most of the comparable properties reporting adverse impact from COVID-19 do not expect the number of tenants experiencing difficulties to increase substantially in the coming months. However, all properties are handling issues on a month-to-month basis.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac Consulting LLP



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EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

A. Project Summary

The Subject is a proposed new construction LIHTC development located at 532 Center Street in Santa Cruz, Santa Cruz County, California. The property will offer 64 affordable rental units restricted to family households earning 30, 50, and 60 percent of the area median income (AMI) or below, in addition to one non-rental manager’s unit. Note that 16 units at 30 percent of AMI will be reserved as Permanent Supportive Housing (PSH), targeting a homeless tenancy. Eight of the units will operate with Project-based Vouchers (PBV) through the Santa Cruz Housing Authority. The remaining eight units will have rents offset through capitalized rent reserve, and tenants in these units will pay 30 percent of their income towards rent. The Subject will include the new construction of a three-story lowrise residential building. The following table illustrates the proposed rents and unit mix.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	2021 HUD Fair Market Rents	
@30%								
3BR / 2BA	1,000	4	\$1,030	\$54	\$1,084	\$1,084	\$3,947	
@30% (Permanent Supportive Housing)*								
1BR / 1BA	600	12	\$741	\$40	\$781	\$781	\$2,292	
2BR / 1BA	835	4	\$887	\$51	\$938	\$938	\$3,021	
@50%								
1BR / 1BA	600	7	\$1,263	\$40	\$1,303	\$1,303	\$2,292	
2BR / 1BA	835	3	\$1,512	\$51	\$1,563	\$1,563	\$3,021	
3BR / 2BA	1,000	5	\$1,753	\$54	\$1,807	\$1,807	\$3,947	
@60%								
1BR / 1BA	600	13	\$1,523	\$40	\$1,563	\$1,563	\$2,292	
2BR / 1BA	835	6	\$1,825	\$51	\$1,876	\$1,876	\$3,021	
3BR / 2BA	1,000	10	\$2,115	\$54	\$2,169	\$2,169	\$3,947	
Non-Rental								
1BR / 1BA	600	1	N/A	N/A	N/A	N/A	\$2,292	
		65						

Notes (1) Source of Utility Allowance provided by the Developer, based on the Santa Cruz Housing Authority Utility Allowance dated January 1, 2021

*Eight of the PSH units will operate with PBV through the Santa Cruz Housing Authority; the remaining eight units will have rents offset through capitalized rent reserve, and tenants will pay 30 percent of their income towards rent.

B. Description of Site and Adjacent Parcels

The Subject is a proposed new construction LIHTC development located at 532 Center Street, in Santa Cruz, Santa Cruz County, California 95060. The Subject site is located within Census Tract 1010.00, which is a 2021 Qualified Census Tract. The Subject site is approximately 0.77 acres, or 33,650 square feet, with frontage along the west side of Cedar Street and the east side of Center Street. The site is currently a parking lot. The site exhibits generally level topography, is rectangular in shape, and is zoned CBD (Central Business District). As currently proposed, the Subject appears to represent a legal, conforming use.

The Subject is located in Downtown Santa Cruz consisting of a variety of commercial/retail and civic uses, as well as residential uses. Land uses adjacent to the north of the Subject consist of a preschool and place of worship in good condition, followed by commercial/retail uses in good condition. Land uses adjacent to the east of the Subject consist of a parking lot, followed by commercial/retail uses in good condition. Further east is the San Lorenzo River. Land uses adjacent to the south of the Subject consist of commercial/retail uses, a condominium complex, and single-family homes, all in average condition. Land uses adjacent to the west of the Subject consist of single-family homes, commercial/retail uses, and a place of worship, all in average condition. Further west are additional single-family homes in average to good condition. Adjacent to the northwest of the Subject is the Boys & Girls Club of Santa Cruz County in average condition. Overall, land uses are in average to good condition. According to Zillow, the majority of single-family residences in the Subject's neighborhood are currently listed for sale between \$1,300,000 and \$3,000,000, the majority of which are in good to excellent condition.

Land use to the north, east, and south of the Subject is zoned CBD (Central Business District). Land use to the west of the Subject is zoned RL (Multiple Residence Medium Rise).

C. Primary Market Area

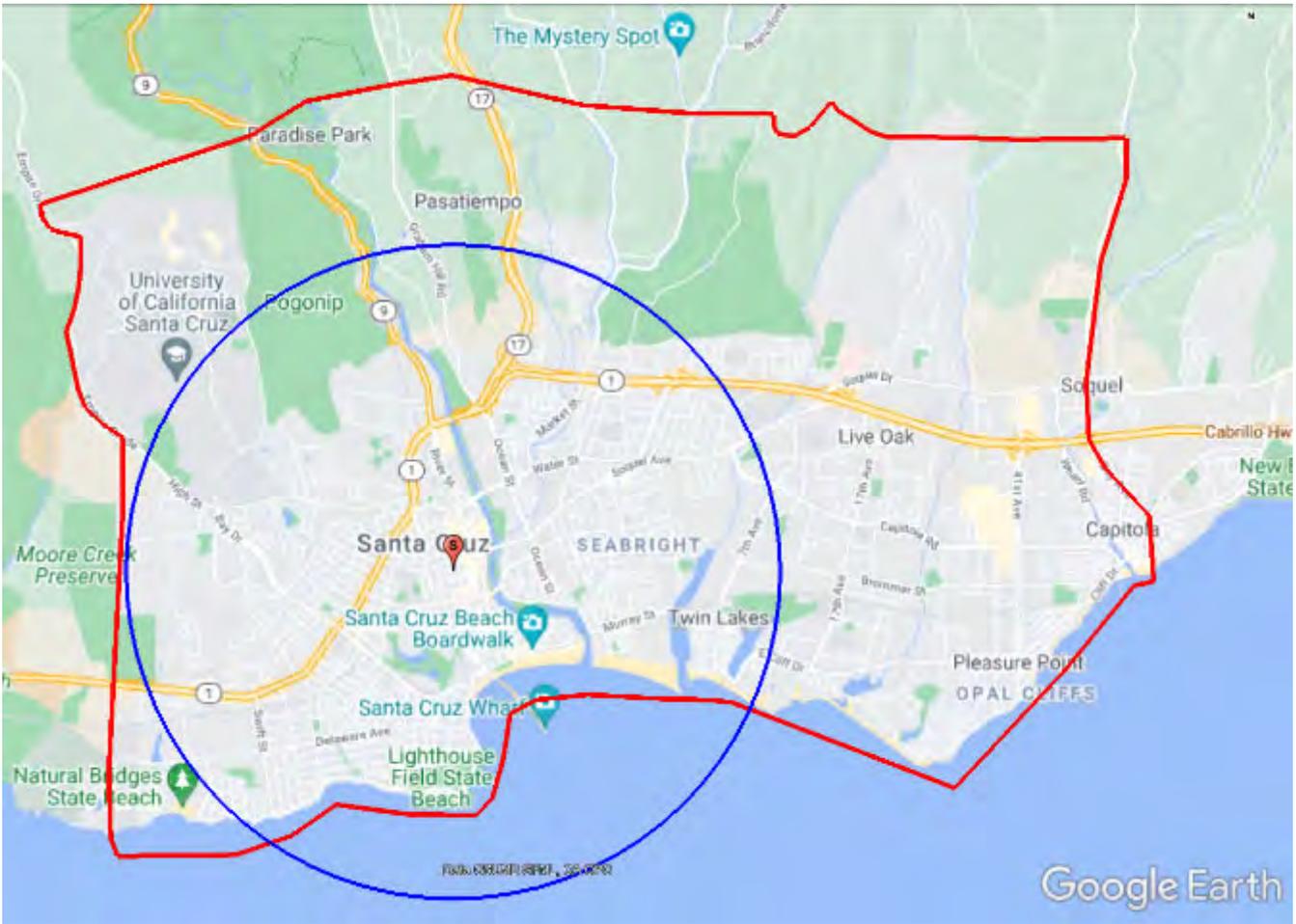
For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much "neighborhood oriented" and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The Subject site is located in central Santa Cruz in south-central Santa Cruz County. The Primary Market Area (PMA) generally includes Santa Cruz, as well as the communities of Twin Lakes, Live Oak, Shangri La Estates, and portions of Soquel and Capitola. General boundaries are as follows:

North: Scottishrite Avenue, Nepenthe Drive, Old Pilkington Road
West: Empire Grade and McAllister Way
East: Soquel San Jose Road, Porter Street, Bay Avenue, and Monterey Avenue
South: Monterey Bay

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area.

There are no natural boundaries in the PMA that would inhibit anyone from relocating to the Subject, excluding the San Lorenzo River, which is located approximately 0.2 miles east of the Subject. However, there are numerous bridges across the river, providing easy access to areas on either side. As such, we do not believe the river will have a significant effect on potential tenants relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Rental housing of all types is in strong demand. Housing in this market is at a premium, with few vacancies.

The secondary market area (SMA) for the Subject is the Santa Cruz-Watsonville Metropolitan Statistical Area (MSA), which consists solely of Santa Cruz County and encompasses approximately 446 square miles. A map outlining the PMA can be found following.



Source: Google Earth, June 2021

D. Market Feasibility

The demographic data, demand analysis, existing supply of housing, as well as interviews with real estate professionals demonstrate an ongoing need for both market rate and affordable housing in the PMA over the foreseeable term. Additionally, the area’s market rate housing also has generally high occupancy levels and all of the affordable housing developments maintain extensive waiting lists. Therefore, we believe the development of the Subject is feasible within this market, and will have a positive impact upon the community.

E. Strengths/Weaknesses

There are no apparent weaknesses of the Subject’s site, development scheme, rents, or market. We are not aware of any nuisances that may negatively impact the marketability of the project. Unit sizes, configuration, and number of units are appropriate for the area. The Subject is a proposed new construction development and will be compatible with surrounding uses. There are no physical barriers present that will negatively affect marketability of the Subject.

Strengths of the Subject include:

- The site is located in relatively close proximity to retail, entertainment, schools, recreation, and public transportation. Amenities within one mile include bus stops, a community center, fire department, CVS Pharmacy, public library, police department, and elementary, middle, and high schools, among others.

- The Subject will provide quality and appropriate on-site amenities for the intended tenant base. We believe these amenities will be competitive when compared to the market rate and LIHTC comparables.
- The population and number of households increased in the PMA from 2000 to 2020. Additionally, the population and number of households are expected to continue to grow through 2025, which will result in more demand for both market rate and affordable housing units.
- Market rate and LIHTC properties in the Subject's PMA are generally experiencing low vacancy rates, low instance of concessions, and all of the affordable properties maintain waiting lists. The Subject will offer affordable multifamily housing units which are in high demand.
- Construction of the Subject will positively impact the surrounding neighborhood by improving the Subject's overall site appeal.
- There are no site nuisances or physical barriers that could impact the marketability of the Subject. The Subject's location and surrounding uses are suitable for multifamily development and will attract renter households.
- The Subject's proposed LIHTC rents are below comparable market rents, providing a significant tenant rent advantage for low to moderate income households.
- Rents of single-family rental properties in the area are significantly higher than the Subject's proposed rents.

F. Summary of Rent Comparables

We performed a competitive rental analysis of the local market. We surveyed both market rate and affordable housing rental properties. The Subject will consist of 64 affordable one, two, and three-bedroom units. We performed an extensive search for comparable properties within the PMA. According to TCAC guidelines, market rate properties situated within one mile of the Subject are the best comparables due to similarities in the local market conditions.

To evaluate the competitive position of the Subject, we surveyed a total of 945 units in 11 rental properties. We performed an extensive search for comparable properties within a one-mile radius. The Subject is located in the central portion of Santa Cruz, within close proximity to various multifamily properties. The LIHTC data is considered good. We included three affordable developments located between 0.5 and 0.7 miles from the Subject site, all of which are located within the PMA. It should be noted that there are two additional family-targeted LIHTC properties (La Playa and Sycamore Street Commons) located within 0.6 miles of the Subject, which we attempted to survey. However, as of the date of this report, our calls and emails have not been returned; therefore, these properties have been excluded from the analysis. The market rate data is also considered good. We included eight market rate properties located between 0.1 and 2.6 miles from the Subject site, all of which are located within the PMA, and six of which are located within 1.0 mile of the Subject. Due to the lack of market rate comparables offering three-bedroom units in the immediate area, we expanded our search to other parts of Santa Cruz. As such, two of the three-bedroom comparables are located between 2.3 and 2.6 miles from the Subject. Overall, we believe the availability of data is more than adequate to support our conclusions.

In order to find properties comparable to the Subject we physically drove the market area to find comparable developments as well as utilized several other outlets. These included a review of area listings of apartments closest to the Subject, the review of apartment websites such as www.rent.com, www.apartments.com, www.padmapper.com, www.hotpads.com, www.craigslist.org, and newspaper

outlets. Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

This report has been prepared for submission to TCAC and CDLAC. As such, comparable selection was primarily based upon the requirements promulgated in the 2021 guidelines, i.e. market rate comparables within one mile.

Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry. Additionally, unit size may not be reflective of the appeal of the unit; an example being two apartments with differing floor plans wherein the smaller size unit may appear to be larger to the observer due to floor plan layout and lighting. In some cases, where multiple floor plans were available for identical unit sizes, an average unit size and rent was applied.

A summary of comparable properties used in the analysis is included on the following pages.

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

Exhibit A - Comparable Property Analysis														
Effective Rent Date		6/28/2021												
#	Property	Age / Type	Units	Unit Types	Rent Range (Low)	Rent Range (High)	Area	Rent PSF (Low)	Rent PSF (High)	Utills Incl	Occ.	Amenities	Remarks	
5	Cedar Street Family Apartment 532 Center Street Santa Cruz, CA 95060 Santa Cruz County	2023 Lowrise (3 stories)	12	1BR / 1BA (Lowrise) @30%	\$741	\$741	600	\$1.24	\$1.24	Water	N/A	Clubhouse/Meeting Room/Comm Commercial/Retail ()	Balcony/Patio Blinds	Other Comments: The Subject will also include approximately 5,000 square feet of ground floor commercial space.
			7	1BR / 1BA (Lowrise) @50%	\$1,263	\$1,263	600	\$2.11	\$2.11	Sewer				
			13	1BR / 1BA (Lowrise) @60%	\$1,523	\$1,523	600	\$2.54	\$2.54	Trash		Courtyard	Carpeting	
			1	1BR / 1BA (Lowrise) Non-Rental	\$0	\$0	600	\$0.00	\$0.00			Exercise Facility	Coat Closet	
			4	2BR / 1BA (Lowrise) @30%	\$887	\$887	835	\$1.06	\$1.06			Central Laundry	Dishwasher	
			3	2BR / 1BA (Lowrise) @50%	\$1,512	\$1,512	835	\$1.81	\$1.81			On-Site Management	Garbage Disposal	
			6	2BR / 1BA (Lowrise) @60%	\$1,825	\$1,825	835	\$2.19	\$2.19			Picnic Area	Oven	
			4	3BR / 2BA (Lowrise) @30%	\$1,030	\$1,030	1000	\$1.03	\$1.03			Playground	Refrigerator	
			5	3BR / 2BA (Lowrise) @50%	\$1,753	\$1,753	1000	\$1.75	\$1.75			Recreation Areas		
			10	3BR / 2BA (Lowrise) @60%	\$2,115	\$2,115	1000	\$2.12	\$2.12			Intercom (Buzzer) Limited Access		
			65	TAX CREDIT: @30%, @50%, @60%, Non-Rental WAITING LIST: N/A										
1	Noary Lagoon 81 Chestnut Street Santa Cruz, CA 95060 Santa Cruz County Rene 831-457-2424	1993 Garden (2 stories)	16	1BR / 1BA (Garden) @50%	\$1,241	\$1,241	600	\$2.07	\$2.07	Water	100.00%	Business Center/Computer Lab Clubhouse/Meeting Room/Comm	Balcony/Patio Blinds	Location: 0.5 miles
			7	1BR / 1BA (Garden) @60%	\$1,638	\$1,638	600	\$2.73	\$2.73	Sewer		Central Laundry	Carpeting	Tenant Characteristics: Mostly couples and small families.
			21	2BR / 1BA (Garden) @50%	\$1,490	\$1,490	840	\$1.77	\$1.77	Trash		Off-Street Parking	Central A/C	Annual Turnover: 2%
			10	2BR / 1BA (Garden) @60%	\$1,968	\$1,968	840	\$2.34	\$2.34			On-Site Management	Coat Closet	Section 8 Tenants: 15%
			27	3BR / 2BA (Garden) @50%	\$1,721	\$1,721	1180	\$1.46	\$1.46			Picnic Area	Garbage Disposal	Leasing Pace: Pre-leased
			13	3BR / 2BA (Garden) @60%	\$2,265	\$2,265	1180	\$1.92	\$1.92			Playground	Oven	Parking Spaces Per Unit: 2.1
			1	3BR / 2BA (Garden) Non-Rental	\$0	\$0	1180	\$0.00	\$0.00			Video Surveillance	Refrigerator	Other Comments: Only the two and three-bedroom units offer washer/dryer hook-ups. The contact stated approximately 10 percent of the tenants at the property are behind on rent due to circumstances caused by the COVID-19 pandemic. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.
			95	TAX CREDIT: @50%, @60%, Non-Rental Rent Increases: Remained stable since 2Q20 Concessions: None WAITING LIST: Yes								Washer/Dryer hookup Adult Education		
												After-school Program Community Gardens		
2	Nueva Vista Apartments 133 Leibbrandt Avenue Santa Cruz, CA 95060 Santa Cruz County Raul 831-459-9296	2003 Garden (3 stories)	1	1BR / 1BA (Garden) @60%	\$1,093	\$1,093	650	\$1.68	\$1.68		100.00%	Clubhouse/Meeting Room/Comm	Balcony/Patio	Location: 0.7 miles
			8	2BR / 1BA (Garden) @30%	\$612	\$612	850	\$0.72	\$0.72			Courtyard	Blinds	Tenant Characteristics: Mixed tenancy
			3	2BR / 1BA (Garden) @40%	\$846	\$846	850	\$1.00	\$1.00			Central Laundry	Carpeting	Annual Turnover: 1%
			4	2BR / 1BA (Garden) @50%	\$1,079	\$1,079	850	\$1.27	\$1.27			Off-Street Parking	Coat Closet	Section 8 Tenants: 5%
			2	2BR / 1BA (Garden) @60%	\$1,313	\$1,313	850	\$1.54	\$1.54			On-Site Management	Oven	Leasing Pace: Pre-leased
			7	3BR / 2BA (Garden) @30%	\$701	\$701	925	\$0.76	\$0.76			Playground	Refrigerator	Parking Spaces Per Unit: 1
			1	3BR / 2BA (Garden) @40%	\$971	\$971	925	\$1.05	\$1.05				Daycare	Other Comments: The contact reported the property has been generally unaffected by the ongoing COVID-19 outbreak thus far. A few tenants have used rental assistance programs, but there have been no missed rent payments. The contact stated the property has very low turnover and has not had a move-out in three years. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.
			8	3BR / 2BA (Garden) @50%	\$1,241	\$1,241	925	\$1.34	\$1.34					
			5	3BR / 2BA (Garden) @60%	\$1,511	\$1,511	925	\$1.63	\$1.63					
			7	4BR / 2BA (Garden) @50%	\$1,443	\$1,443	1100	\$1.31	\$1.31					
			1	4BR / 2BA (Garden) @60%	\$1,663	\$1,663	1100	\$1.51	\$1.51					
			47	TAX CREDIT: @30%, @40%, @50%, @60% Rent Increases: Remained stable since 2Q20 Concessions: None WAITING LIST: Yes										

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

Effective Rent Date		Exhibit A - Comparable Property Analysis																			
6/28/2021																					
#	Property	Age / Type	Units	Unit Types	Rent Range (Low)	Rent Range (High)	Area	Rent PSF (Low)	Rent PSF (High)	Utilities Incl.	Occ.	Amenities	Remarks								
3	Riverwalk Apartments 110 Lindberg St Santa Cruz, CA 95060 Santa Cruz County Crystal 831-515-7577 	2015 Garden (3 stories)	1	1BR / 1BA (Garden) @30%	\$670	\$670	631	\$1.06	\$1.06	Water	100.00%	Business Center/Computer Lab Clubhouse/Meeting Room/Comm Garage (fee: \$75.00) Central Laundry	Balcony/Patio Blinds Carpeting Coat Closet	Location: 0.5 miles Tenant Characteristics: Mixed tenancy							
			1	1BR / 1BA (Garden) @45%	\$1,042	\$1,042	631	\$1.65	\$1.65	Sewer											
			1	1BR / 1BA (Garden) @60%	\$1,415	\$1,415	631	\$2.24	\$2.24	Trash											
			1	1BR / 1BA (Garden) Non-Rental	\$0	\$0	631	\$0.00	\$0.00												
			1	2BR / 1BA (Garden) @30%	\$792	\$792	794	\$1.00	\$1.00												
			2	2BR / 1BA (Garden) @45%	\$1,239	\$1,239	794	\$1.56	\$1.56												
			2	2BR / 1BA (Garden) @50%	\$1,388	\$1,388	794	\$1.75	\$1.75												
			2	2BR / 1BA (Garden) @60%	\$1,686	\$1,686	794	\$2.12	\$2.12												
			2	3BR / 2BA (Garden) @30%	\$899	\$899	1014	\$0.89	\$0.89												
			3	3BR / 2BA (Garden) @45%	\$1,416	\$1,416	1014	\$1.40	\$1.40												
			2	3BR / 2BA (Garden) @50%	\$1,588	\$1,588	1014	\$1.57	\$1.57												
2	3BR / 2BA (Garden) @60%	\$1,932	\$1,932	1014	\$1.91	\$1.91															
21	TAX CREDIT: @30%, @45%, @50%, @60%, Non-Rental Rent Increases: Increased 20% to 47% since 4Q20 Concessions: None WAITING LIST: Yes																				
4	1010 Pacific Apartments 1010 Pacific Avenue Santa Cruz, CA 95060 Santa Cruz County Donna 831-471-5476 	2004 Midrise (5 stories)	2	Studio / 1BA (Midrise) Market	\$1,925	\$1,925	385	\$5.00	\$5.00		98.20%	Business Center/Computer Lab Clubhouse/Meeting Room/Comm Commercial/Retail () Concierge	Balcony/Patio Blinds Carpet/Hardwood Coat Closet	Location: 0.1 miles Tenant Characteristics: Mixed tenancy, 60% from Santa Cruz; large amount coming from bay area over the last six months, 10% seniors							
			44	1BR / 1BA (Midrise) Market	\$2,345	\$2,345	558	\$4.20	\$4.20												
			N/A	1BR / 1BA (Midrise) Market	\$2,978	\$2,978	850	\$3.50	\$3.50												
			13	1BR / 1BA (Midrise) Workforce	\$1,844	\$1,844	558	\$3.30	\$3.30												
			41	2BR / 2BA (Midrise) Market	\$3,342	\$3,342	800	\$4.18	\$4.18												
			N/A	2BR / 2BA (Midrise) Market	\$3,995	\$3,995	1043	\$3.83	\$3.83												
			10	2BR / 2BA (Midrise) Workforce	\$2,153	\$2,153	800	\$2.69	\$2.69												
			2	3BR / 2BA (Midrise) Market	\$3,599	\$3,599	1106	\$3.25	\$3.25												
			112	MARKET AND TAX CREDIT: Workforce Rent Increases: Rents change weekly Concessions: None WAITING LIST: No																	
			5	Breakwater Apartments 1630 Merrill Street Santa Cruz, CA 95062 Santa Cruz County Randy Grant 831-476-4006 	1970 Various	32	1BR / 1BA (Garden) Market	\$2,550	\$2,550	624					\$4.09	\$4.09	Water Heat	100.00%	Carport Exercise Facility Central Laundry Off-Street Parking	Balcony/Patio Blinds Carpet/Hardwood Carpeting	Location: 2.3 miles Tenant Characteristics: Singles, couples, small families, a few seniors
						40	2BR / 1BA (Garden) Market	\$3,025	\$3,025	860					\$3.52	\$3.52					
12	2BR / 1.5BA (Townhouse) Market	\$3,275				\$3,275	923	\$3.55	\$3.55												
16	3BR / 2BA (Garden) Market	\$3,295				\$3,295	955	\$3.45	\$3.45												
100	MARKET Rent Increases: Increased 2% to 10% since 2Q20 Concessions: None WAITING LIST: No																				
	On-Site Management Swimming Pool																				
	Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Vaulted Ceilings Walk-In Closet Washer/Dryer Washer/Dryer hookup																				
	Annual Turnover: 40% Section 8 Tenants: 1% Leasing Pace: Pre-leased or within a month Parking Spaces Per Unit: N/A																				
	Other Comments: The contact stated that the property was fully renovated in 2018. Renovations included new hardwood flooring, carpeting, quartz counter tops, stainless steel appliances, hardware, cabinets, bathrooms, and paint. One assigned parking space is included in the cost of rent, and additional spaces are available for \$50 per month. The contact stated the property has largely been unaffected by COVID-19 thus far. However, the contact noted that the property has experienced a slightly higher than average turnover rate, which is likely a result of the pandemic. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.																				

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

Effective Rent Date		Exhibit A - Comparable Property Analysis														
6/28/2021																
#	Property	Age / Type	Units	Unit Types	Rent Range (Low)	Rent Range (High)	Area	Rent PSF (Low)	Rent PSF (High)	Utls Incl	Occ.	Amenities		Remarks		
6	Chestnut Street Apartments 143 Chestnut Street Santa Cruz, CA 95060 Santa Cruz County Sam 831-298-3003 	2002 Various (3 stories)	33	1BR / 1BA (Garden) Market	\$2,265	\$2,265	670	\$3.38	\$3.38		100.00%	Exercise Facility Central Laundry Off-Street Parking On-Site Management	Balcony/Patio Blinds Carpeting Coat Closet	Location: 0.3 miles		
			9	2BR / 1BA (Garden) Market	\$2,939	\$2,939	900	\$3.27	\$3.27							
			15	2BR / 1.5BA (Townhouse) Market	\$3,458	\$3,458	1004	\$3.44	\$3.44							
			2	2BR / 2BA (Garden) Market	\$3,099	\$3,099	1020	\$3.04	\$3.04							
			37	2BR / 2.5BA (Townhouse) Market	\$3,448	\$3,448	1070	\$3.22	\$3.22					Picnic Area Recreation Areas	Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Dog Park	Tenant Characteristics: Mixed tenancy, some students; large influx from the bay area over the past quarter Annual Turnover: 50% Section 8 Tenants: 2% Leasing Pace: Within one week Parking Spaces Per Unit: N/A Other Comments: The contact reported that the property experienced a decrease in collections during the COVID-19 pandemic, and a number of tenants moved out over the summer of 2020. However, occupancy levels have been generally stable, and there has been no impact to phone call traffic. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager. There is an additional trash collection fee of \$25 per month for 1 bedroom unit and \$50 per month for 2 bedroom units.
			96	MARKET Rent Increases: Decreased up to 17% (due to COVID-19) Concessions: None WAITING LIST: No												
7	Corcoran Garden Apartments 650 Corcoran Avenue Santa Cruz, CA 95062 Santa Cruz County Wendy 831-475-2832 	1961 Various (2 stories)	1	Studio / 1BA (Garden) Market	\$1,661	\$1,661	390	\$4.26	\$4.26	Water Heat	100.00%	Carport Central Laundry Off-Street Parking On-Site Management	Balcony/Patio Blinds Carpeting Dishwasher	Location: 2.6 miles		
			23	1BR / 1BA (Garden) Market	\$1,925	\$1,925	550	\$3.50	\$3.50	Water						
			22	2BR / 1BA (Garden) Market	\$2,485	\$2,485	800	\$3.11	\$3.11	Sewer						
			N/A	2BR / 1BA (Garden) Market	\$2,550	\$2,550	1000	\$2.55	\$2.55	Trash						
			2	2BR / 1.5BA (Townhouse) Market	\$2,485	\$2,485	700	\$3.55	\$3.55					Swimming Pool Limited Access	Ceiling Fan Oven Refrigerator	Tenant Characteristics: Singles, couples, small families from the area Annual Turnover: 10% Section 8 Tenants: 0% Leasing Pace: Pre-leased to 1 week Parking Spaces Per Unit: N/A Other Comments: Carport parking is only available for two-bedroom units at no additional charge. The manager confirmed that the two-bedroom/1.5-bath room units now rent for the same price as the two-bedroom/one-bathroom units. The contact stated COVID-19 has had no noticeable impacts to the property, as it is fully occupied. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.
			50	MARKET Rent Increases: Increased 2%-4% since 2Q2020 Concessions: None WAITING LIST: No												
8	Cypress Point Apartments 101 Felix Street Santa Cruz, CA 95060 Santa Cruz County Samantha 831-427-1991 	1977 Garden (2 stories)	N/A	Studio / 1BA (Garden, Garden) Market	\$2,000	\$2,300	440	\$4.55	\$5.23		96.20%	Carport Exercise Facility Jacuzzi Central Laundry	Balcony/Patio Blinds Carpeting Dishwasher	Location: 0.5 miles		
			N/A	1BR / 1BA (Garden, Garden) Market	\$2,500	\$2,600	625	\$4.00	\$4.16							
			N/A	2BR / 1BA (Garden, Garden) Market	\$2,900	\$3,400	771	\$3.76	\$4.41							
						240	MARKET Rent Increases: Decreased up to 12% due to COVID-19 Concessions: N/A WAITING LIST: Yes							Off-Street Parking On-Site Management Swimming Pool	Garbage Disposal Microwave Oven Refrigerator	Tenant Characteristics: Mixed tenancy primarily from Northern California. Some students and healthcare workers. Annual Turnover: 25% Section 8 Tenants: 2% Leasing Pace: Pre-lease: within two weeks Parking Spaces Per Unit: N/A Other Comments: Units are being renovated at turnover with new flooring, fixtures, counter tops, and appliances, as needed. The range in leasing rates is based on whether or not units have been renovated. One carport parking space is included in the rent, while an additional reserved parking space is available for \$35 per month. The contact reported an impact to collections, occupancy, and phone traffic during the COVID-19 pandemic. Occupancy levels dropped to 74 percent in summer 2020 and only returned to a stabilized level of 95 percent in December 2020. The property is not currently experiencing any impacts on collections or turnover due to COVID-19. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager. The contact could not provide updated information on Housing Choice Vouchers and turnover rate.

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

Exhibit A - Comparable Property Analysis														
Effective Rent Date		6/28/2021												
#	Property	Age / Type	Units	Unit Types	Rent Range (Low)	Rent Range (High)	Area	Rent PSF (Low)	Rent PSF (High)	Utills Incl.	Occ.	Amenities	Remarks	
9	Five55 Pacific 555 Pacific Ave Santa Cruz, CA 95060 Santa Cruz County Leasing Agent (831) 420-0555 	2018 Garden (3 stories)	N/A	Studio / 1BA (Garden, Garden) Market	\$2,245	\$2,600	440	\$5.10	\$5.91		100.00%	Carport	Balcony/Patio Blinds	Location: 0.4 miles
			N/A	1BR / 1BA (Garden, Garden) Market	\$2,801	\$2,921	519	\$5.40	\$5.63			Clubhouse/Meeting Room/Comm	Carpet/Hardwood Coat Closet	Tenant Characteristics: Mixed tenancy
			N/A	1BR / 1BA (Garden, Garden) Market	\$3,116	\$3,141	604	\$5.16	\$5.20			Elevators		
			N/A	1BR / 1BA (Garden, Garden) Market	\$2,940	\$3,070	636	\$4.62	\$4.83			Exercise Facility		
			N/A	1BR / 1BA (Garden, Garden) Market	\$2,715	\$3,100	638	\$4.26	\$4.86			Garage (fee: \$35.00)	Dishwasher Furnishing	Annual Turnover: 25% Section 8 Tenants: 7%
			N/A	1BR / 1BA (Garden, Garden) Market	\$3,025	\$3,025	646	\$4.68	\$4.68			Off-Street Parking On-Site Management Picnic Area Recreation Areas Limited Access	Garbage Disposal Microwave Oven Refrigerator Walk-In Closet Washer/Dryer Washer/Dryer hookup Rooftop deck	Leasing Pace: One day Parking Spaces Per Unit: N/A Other Comments: The range in leasing rate is based on floor level and location within the property. The contact noted that due to COVID-19, all student tenants at the property moved out over the summer of 2020. This resulted in an approximate 30 percent increase in turnover, and necessitated lower rent pricing and concessions. The property has since stabilized and rents have returned to normal levels. The contact was unable to provide absorption data. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager. The contact noted the property is no longer experiencing issues due to the ongoing COVID-19 pandemic.
10	San Lorenzo Court 115 Canfield Avenue Santa Cruz, CA 95060 Santa Cruz County Kitty 831-425-7000 	1970 Garden (2 stories)	1	Studio / 1BA (Garden) Market	\$2,233	\$2,233	323	\$6.91	\$6.91	Water	100.00%	Clubhouse/Meeting Room/Comm	Balcony/Patio Blinds	Location: 0.5 miles
			12	1BR / 1BA (Garden) Market	\$2,175	\$2,175	502	\$4.33	\$4.33	Sewer		Courtyard	Carpeting Dishwasher	Tenant Characteristics: Mixed tenancy, majority of tenants are individuals, large influx coming from the bay area Annual Turnover: 20% Section 8 Tenants: 12% Leasing Pace: Pre-leased Parking Spaces Per Unit: N/A
			4	2BR / 2BA (Garden) Market	\$2,515	\$2,515	696	\$3.61	\$3.61	Trash		Central Laundry Off-Street Parking		
			17	MARKET								Patrol	Garbage Disposal Oven Refrigerator Washer/Dryer Washer/Dryer hookup	Other Comments: Management noted that COVID-19 had previously impacted the property, though not in any significant way. The property is fully occupied and there are not delinquencies related to COVID-19. A few instances of late or missed rent have occurred, but the property has worked with tenants to create payment plans. The range in leasing rates for one-bedroom units is based on square footage. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.
11	The Breakers 630 Water Street Santa Cruz, CA 95060 Santa Cruz County Daniel 831-713-2753 	2005/2019 Garden (3 stories)	41	Studio / 1BA (Garden) Market	\$1,925	\$1,925	310	\$6.21	\$6.21		100.00%	Carport (fee: \$25.00)	Balcony/Patio Blinds	Location: 0.8 miles
			13	Studio / 1BA (Garden) Measure O - 60%	\$0	\$0	310	\$0.00	\$0.00			Clubhouse/Meeting Room/Comm	Carpet/Hardwood Coat Closet	Tenant Characteristics: Mixed tenancy
			5	1BR / 1BA (Garden) Market	\$2,075	\$2,075	345	\$6.01	\$6.01			Courtyard		
			10	1BR / 1BA (Garden) Market	\$2,275	\$2,275	365	\$6.23	\$6.23			Central Laundry		
			4	2BR / 1BA (Garden) Market	\$2,895	\$2,895	647	\$4.47	\$4.47			Off-Street Parking On-Site Management Recreation Areas	Dishwasher Ceiling Fan Microwave Oven Refrigerator Vaulted Ceilings	Annual Turnover: 45% Section 8 Tenants: 3% Leasing Pace: Within one month Parking Spaces Per Unit: N/A
			73	MARKET AND TAX CREDIT: Measure O - 60%								Walk-In Closet Washer/Dryer Washer/Dryer hookup	Other Comments: The property consists of two phases, one of which was built in 2005, and the other of which was built in 2019. Market entry and absorption information was unavailable. The range in leasing rates for studio and one-bedroom units is based on whether units are in Phase I or Phase II. The contact stated that 13 of the studio units are affordable under the city program Measure O but was unable to provide details. In-unit washer/dryers are included in Phase II only. Assigned carport parking is available for a monthly fee ranging from \$25-\$45. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.	

G. Existing and Planned Affordable Housing

We reviewed TCAC, CDLAC, and HUD development lists for projects funded since 2018 as being best representative of current and planned affordable housing conditions. Per these lists, there has only been one project awarded funding in the Subject's PMA since 2018, which is detailed following.

- Casa Del Rio & Santa Cruz Riverfront was awarded LIHTC funding in 2020 for the combined acquisition and rehabilitation of two existing multifamily developments (one of which is market rate, and one of which is Section 8) with a combined total of 103 one, two, and three-bedroom units. Upon renovation, 102 units will be restricted to households earning 50 and 60 percent of the AMI or below, 70 of which will be subsidized, and the remaining unit will be a non-rental manager's unit. Of the 102 revenue-generating units, 25 will target seniors 62 years and older, six will target persons with disabilities, and 71 will target the general population. Renovations are expected to be completed in early 2021. Overall, only 29 one-bedroom units will be LIHTC-only and targeted to the general population and will, hence, be competitive with the Subject. As such, these 29 units have been accounted for in our penetration rate analysis.

Further, to our knowledge, no other applications for developments within the PMA were submitted in 2020 or 2021.

We attempted to contact the Santa Cruz Planning and Community Development Department regarding planned, proposed, or under construction multifamily developments in Santa Cruz. However, as of the date of this report, our calls and emails have not been returned. As such, we searched the City website for further information.

We attempted to contact the City of Capitola Community Development Department regarding planned, proposed, or under construction multifamily developments. However, as of the date of this report, our calls have not been returned.

We searched CoStar for any additional planned, proposed, or under construction multifamily developments in the PMA. According to CoStar, there are several additional developments.

The following table summarizes our findings on recent multifamily developments in the PMA.

RECENT MULTIFAMILY DEVELOPMENTS IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status
Golf Club Drive	Market	Disability	10	0	Completed
11547 Pacific Avenue	Market	Family	79	0	Completed
Water Street Apartments	LIHTC	Family/Disabled	41	32	Completed
The Breakers (Phase II)*	Market	Family	20	0	Completed
Live Oak Crossing	Market	Family	13	0	Completed
230 Grandview Street	Market	Family	12	0	Under Construction
Pacific Front Development	Market	Family	205	0	Approved
119 Coral Street	Supportive Housing	Special Needs	120	120	Approved
Upper Crust Apartments	Market	Family	14	0	Approved
River Street Townhomes	Market	Family	12	0	Approved
Pacific Station Redevelopment	PLHA Funding	Family	85	85	Proposed
831 Water Street	LIHTC/PBV	Family	71	71	Proposed
1800-1818 Soquel Ave	Market	Family	32	0	Proposed
2606 Paul Minnie Ave	Market	Family	15	0	Proposed
350 Ocean St	LIHTC	Family	63	63	Proposed
530 Front St	Market	Family	170	0	Proposed
MidPen Housing	Workforce	Family	56	0	Proposed
Pacific Ave	Market	Family	205	0	Proposed
Pleasure Point Plaza	Market/Affordable	Family	33	33	Proposed
Totals			1,256	404	

Source: CoStar, June 2021

*Utilized as a comparable

As illustrated, there are 404 proposed, under construction, or recently completed multifamily developments that will be competitive with the Subject. Of these, 32 units have already been absorbed, while the remaining 372 units have not.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Distance to Subject	Year Built/Allocated	Program	Tenancy	# of Total Units	# of Competitive Units - As Proposed	# of Competitive Units - Absent Subsidy	Occupancy	Waiting List
Riverwalk Apartments*	0.2 miles	2013	LIHTC/HOME	Family	21	20	20	100.0%	Yes
El Centro	0.7 miles	1991	LIHTC/PBV	Senior	44	0	0	N/Av	N/Av
La Playa	0.6 miles	1991	LIHTC	Senior	8	0	0	100.0%	Yes
Sycamore Street Commons	0.3 miles	1995	LIHTC/PBV	Family	60	59	59	N/Av	N/Av
Nueva Vista Apartments*	1.1 miles	2002	LIHTC	Family	47	47	47	100.0%	Yes
Pacific Shores Apartments	2.5 miles	2002	LIHTC/Market	Family	206	77	77	100.0%	No
Mission Gardens	2.1 miles	2008	LIHTC / Section 8	Mixed	50	49	0	N/Av	Yes
Tannery Artist Lofts	0.6 miles	2007	LIHTC	Artists	100	0	0	99.0%	Yes
Neary Lagoon*	1.1 miles	2012	LIHTC	Family	95	94	94	100.0%	Yes
Garfield Park Village	1.4 miles	2014	LIHTC	Senior	95	0	0	100.0%	Yes
East Cliff Village Apartments	2.3 miles	1986/2014	LIHTC / Section 8	Senior	76	0	0	N/Av	N/Av
St. Stephens Senior Housing	1.8 miles	2015	LIHTC/PBV	Senior	40	0	0	N/Av	N/Av
Arbor Cove	1.2 miles	1992	Section 8	Senior/Disabled	35	0	0	100.0%	Yes
Casa Linda	2.8 miles	1995	Public Housing	Senior/Disabled	21	0	0	100.0%	Yes
Elizabeth Oaks Apts.	2.0 miles	1983	Section 8	Senior/Disabled	126	0	0	N/Av	N/Av
La Posada	1.1 miles	1980	Section 8/Market	Senior	150	0	0	100.0%	Yes
San Lorenzo Park Apts	0.4 miles	1977	Section 8	Family	78	78	0	100.0%	Yes
Seaside Apartments	2.9 miles	1984	Section 8	Family	84	84	0	100.0%	Yes
Stepping Out Housing	1.0 mile	1985	Section 8	Senior/Disabled	18	0	0	100.0%	Yes
The Dakota Apartments	3.1 miles	1985	Section 8	Senior/Disabled	25	0	0	N/Av	N/Av
Monarch Housing Project	3.3 miles	N/Av	Section 8	Senior/Disabled	18	0	0	N/Av	N/Av
Grace Commons	0.8 miles	2007	PBV	Special Needs	15	0	0	100.0%	Yes
Gault Street Senior Housing	1.0 mile	2006	PBV	Senior	37	0	0	97.3%	Yes
Water Street Apartments	0.9 miles	2019	LIHTC	Family/Disabled	41	32	32	100.0%	Yes
Total					1,490	540	329		

*Utilized as a comparable

The affordable properties surveyed in the PMA are experiencing occupancy levels from 97.3 to 100.0 percent, most are full, and nearly all maintain waiting lists. It should be noted that we were unable to reach property managers at several of these properties. The comparable LIHTC properties are detailed further in the *Competitive Rental Market* section of this Market Study.

H. Conclusions

- The Subject is located in downtown Santa Cruz, which consists of a variety of commercial/retail and civic uses, as well as residential uses in average to good condition. All shopping, services, public transit, and recreational amenities are located within a relatively short distance of the Subject. Furthermore, the developer’s proposed plans will result in an improvement to the neighborhood. Overall, development of the Subject will positively impact the neighborhood by providing much-needed affordable housing in the area. The neighborhood is well suited for this type of housing.
- Population within the PMA increased 0.4 percent annually from 2010 to 2020, and is projected to continue increasing through 2025. Additionally, the number of households in the PMA increased by 0.2 percent between 2010 and 2020, and are projected to continue increasing at this rate through 2025. As of 2020, approximately 61.8 percent of renter households earn less than \$75,000 annually in the PMA. Overall, the increasing population and household trends bode well for the Subject.
- Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and professional/scientific/technological services industries, which collectively comprise 43.6 percent of local

employment. The large share of PMA employment in the healthcare industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. The majority of commuters travel under 24 minutes, and the Subject’s location in central Santa Cruz provides employment opportunities at various skill levels. Between 2012 and 2019, total employment in the MSA has increased in six out the seven years, and unemployment has been steadily decreasing. However, COVID-19 has had a significant impact on employment and unemployment in the MSA, to a greater degree than that of the nation. Employment in the MSA declined 9.8 percent in 2020, compared to a 6.2 percent decline for the nation. Between April 2020 and April 2021, total employment in the MSA increased by 9.6 percent, compared to a 13.4 percent increase nationwide. Further, as of April 2021, the local unemployment rate is 7.7 percent, above the national rate of 5.7 percent. Given the local economy’s performance during the COVID-19 pandemic, we maintain that the MSA will experience a slower recovery from the impacts of the pandemic than the overall nation.

- Demand calculations derive an estimate of annual capture rate required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate remaining is the number of units that will be unsatisfied in the market without construction of the Subject. These un-accommodated units of demand will be forced to leave the market without construction of additional units.

DEMAND CONCLUSION

Calculation	
@30%	2.1%
@50%	1.1%
@60%	3.0%
All Units	2.8%
Penetration Rate	7.9%

As illustrated in the previous table, the Subject’s capture rates at the 30, 50, and 60 percent AMI levels are low. Further, the overall capture rate for all units is low, indicating sufficient demand for the Subject’s units. Finally, the penetration rate is low.

There are multiple developments under construction or planned to enter the market prior to the Subject’s estimated market entry date. However, given the strong demand illustrated above, we do not anticipate that any proposed properties will hinder the Subject’s ability to maintain stabilized occupancy. Affordable and market rate rental housing of all types is in strong demand within this market.

- Of the 65 total units at the Subject, 16 units will be restricted as Permanent Supportive Housing (PSH) and will target chronically homeless individuals. Additionally, these units will operate with Project-based Vouchers (PBV) assistance provided by the County of Santa Cruz Housing Authority. There is limited permanent supportive housing that targets this special needs population.

In addition to the Demand Analysis for the general population, we have also estimated the demand from the special needs population. The special needs units will serve a limited sector of the population, one in which there is little empirical data available for analysis.

Santa Cruz County performs a Point-in-Time Count of homelessness every two years. According to the January 2019 PIT Count, the most recent report available, there are 2,167 total homeless individuals in Santa Cruz County, and 1,197 homeless individuals in the city of Santa Cruz. Estimates by households were not available; therefore, we have divided the total homeless individuals by the average household size in the PMA. Utilizing the 1,197 total homeless individuals and dividing by the average household size

in the PMA of 2.37, we estimate that there are 505 homeless households that might be eligible to reside at the Subject, as detailed below.

Homeless Population 2019	Santa Cruz, CA
Santa Cruz - Estimated Unsheltered Individuals	1,197
	/
Average Household Size - PMA	2.37
	=
Eligible Homeless Households	505
	*
Estimated Income Percent Eligible	100%
Equals Income Eligible Homeless Households	505
Subject's Proposed Homeless Units	16
	/
Divided by Potential Homeless Households	505
Homeless Capture Rate	3.2%

As illustrated in the data above, there is demand for housing options that target tenants who are homeless. Strictly based on the estimated homeless population in Santa Cruz, the Subject has a low capture rate of 3.2 percent. We believe that this indicates that there is more than ample demand among the homeless, and those at risk of becoming homeless. This capture rate is excellent when considering that the homeless count is based on a point-in-time survey, and the actual homeless population is likely larger.

- We were unable to obtain any recent absorption information from any of the comparables; thus, we have researched absorption data for all of Santa Cruz and Monterey Counties. We were able to identify one LIHTC development in the region that opened within the last five years, which is detailed in the table below.

ABSORPTION

Property Name	City	Rent Structure	Tenancy	Year	Total Units	Absorption (units/month)
Terracina Oaks II	Greenfield	LIHTC	Family	2016	48	48

Given the above data, we believe the Subject would reach a stabilized occupancy of 95 percent within two months of completion. This equates to an absorption pace of approximately 45 units per month. This assumes the Subject property is properly marketed and pre-leasing begins approximately three months prior to completion of construction.

- All the data combined with interviews of real estate professionals demonstrate an ongoing need for the creation and maintenance of market rate and affordable housing in the PMA over the foreseeable term. Additionally, the majority of the area’s affordable housing developments maintain waiting lists for all unit types, and all properties surveyed reported full occupancy rates. Within the PMA, there are approximately 404 competitive units entering the market over the next two years. However, as previously discussed, the overall capture rate for the Subject for all units is low, indicating sufficient demand for the Subject’s units. Further, the penetration rate is low. Therefore, we anticipate that the Subject and the existing affordable properties will not hinder each other’s ability to maintain full occupancy.
- All of the comparable properties used for comparison in this report are located within the Subject’s PMA. The Subject’s affordable rents offer a significant tenant rent advantage over the market rate developments surveyed. The Subject will have a positive impact on the surrounding neighborhood and will not adversely affect existing or proposed market rate or affordable housing located in the area.

- The comparables reported vacancy rates ranging from zero to 3.8 percent, with an overall weighted average of 1.2 percent. All of the LIHTC comparables reported 100 percent occupancy. Further, all of the LIHTC comparables maintain waiting lists. In comparison the market rate comparables reported vacancy rates ranging from zero to 3.8 percent, with an average of 1.4 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less.
- As illustrated below, the Subject’s highest proposed LIHTC rents are significantly lower (40.4 to 42.5 percent) than our estimated achievable market rents.

ACHIEVABLE MARKET RENTS

Unit Type	Subject's Highest Proposed LIHTC Rents	NOVOCO's Estimated Achievable Market Rents	Percent Advantage 60% AMI
1BR/1BA	\$1,523	\$2,650	-42.5%
2BR/1BA	\$1,825	\$3,150	-42.1%
3BR/2BA	\$2,115	\$3,550	-40.4%

- TCAC requires the Subject’s LIHTC rents to be at least ten percent less than the adjusted weighted average of the comparables. The following table illustrates the results of the rent comparison grids at the Subject’s highest proposed LIHTC rents.

TEN PERCENT RENT TEST

Unit Type	Subject's Highest Proposed LIHTC Rents	Comparable Properties Weighted Average Market Rents	Percent Advantage 60% AMI
1BR/1BA	\$1,523	\$2,687	-43.3%
2BR/1BA	\$1,825	\$3,360	-45.7%
3BR/2BA	\$2,115	\$3,560	-40.6%

As shown, the Subject’s highest proposed one, two, and three-bedroom LIHTC rents range between 40.6 and 45.7 percent less than the adjusted weighted average comparable market rents. The proposed rents at the lower AMI levels will provide an even further discount over the average market rents. Thus, the Subject’s rents are at least ten percent below the average market rents, meeting the required benchmark.

- TCAC requires that the unit value ratio for each of the Subject’s unit types be at or below the values for the same unit types among the comparable rental properties. This analysis is illustrated on the rent comparability matrices provided later in the report, and summarized following.

UNIT VALUE RATIO

Unit Type	Highest Proposed LIHTC Rent	Subject Unit Size	\$/SF	Comparable Properties Weighted Average \$/SF	Percent Advantage of Subject
1BR/1BA	\$1,523	600	\$2.54	\$4.44	-42.8%
2BR/1BA	\$1,825	835	\$2.19	\$4.28	-49.0%
3BR/2BA	\$2,115	1,000	\$2.12	\$3.63	-41.7%

The value ratios of the Subject’s affordable units at the highest rent levels are between 41.7 and 49.0 percent less than the comparables’ weighted average rents per square foot. Thus, the Subject’s unit value ratios meet the required benchmark.

PROJECT DESCRIPTION

PROJECT DESCRIPTION

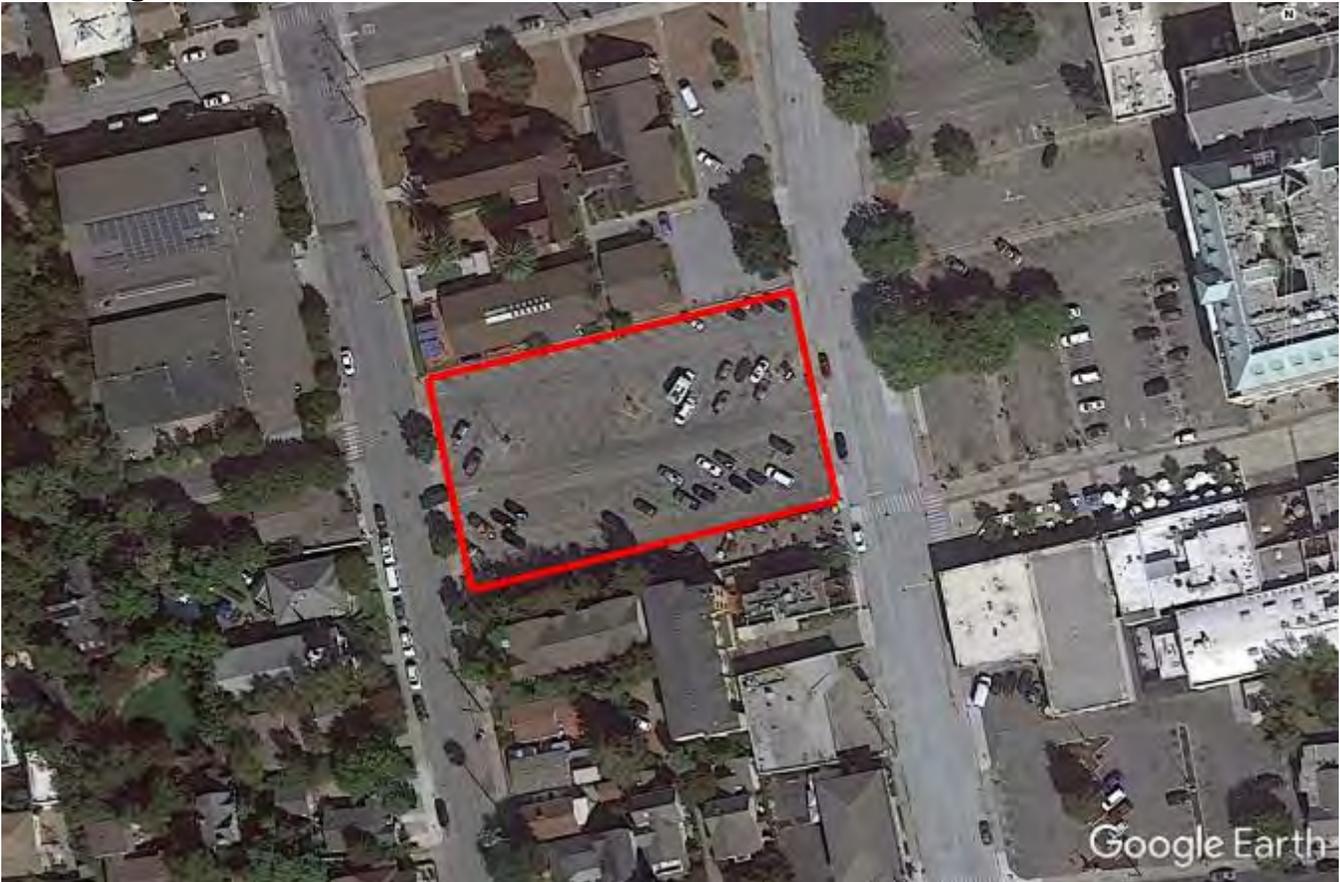
Our description of the Subject is based upon information provided by the sponsor and architect. We anticipate the information supplied is accurate.

Sponsor's Name: The sponsor is Milestone Housing Group, LLC.

Development Name: Cedar Street Family Apartments (Subject).

Site Location: This Subject is a proposed new construction LIHTC development located at 532 Center Street, in Santa Cruz, Santa Cruz County, California 95060. The Subject site is located within Census Tract 1010.00, which is a 2021 Qualified Census Tract.

Aerial Image:



Source: Google Earth, 6/2021

Size: The size of the Subject site is approximately 0.77 acres, or 33,650 square feet.

Zoning: According to the City of Santa Cruz Planning Department, the Subject site is zoned CBD (Central Business District). The CBD district allows for multifamily residential development, with a maximum density of 39.6 units per acre for studio and one-bedroom units, and 30.0 units per acre for all other bedroom types. Standard parking requirements

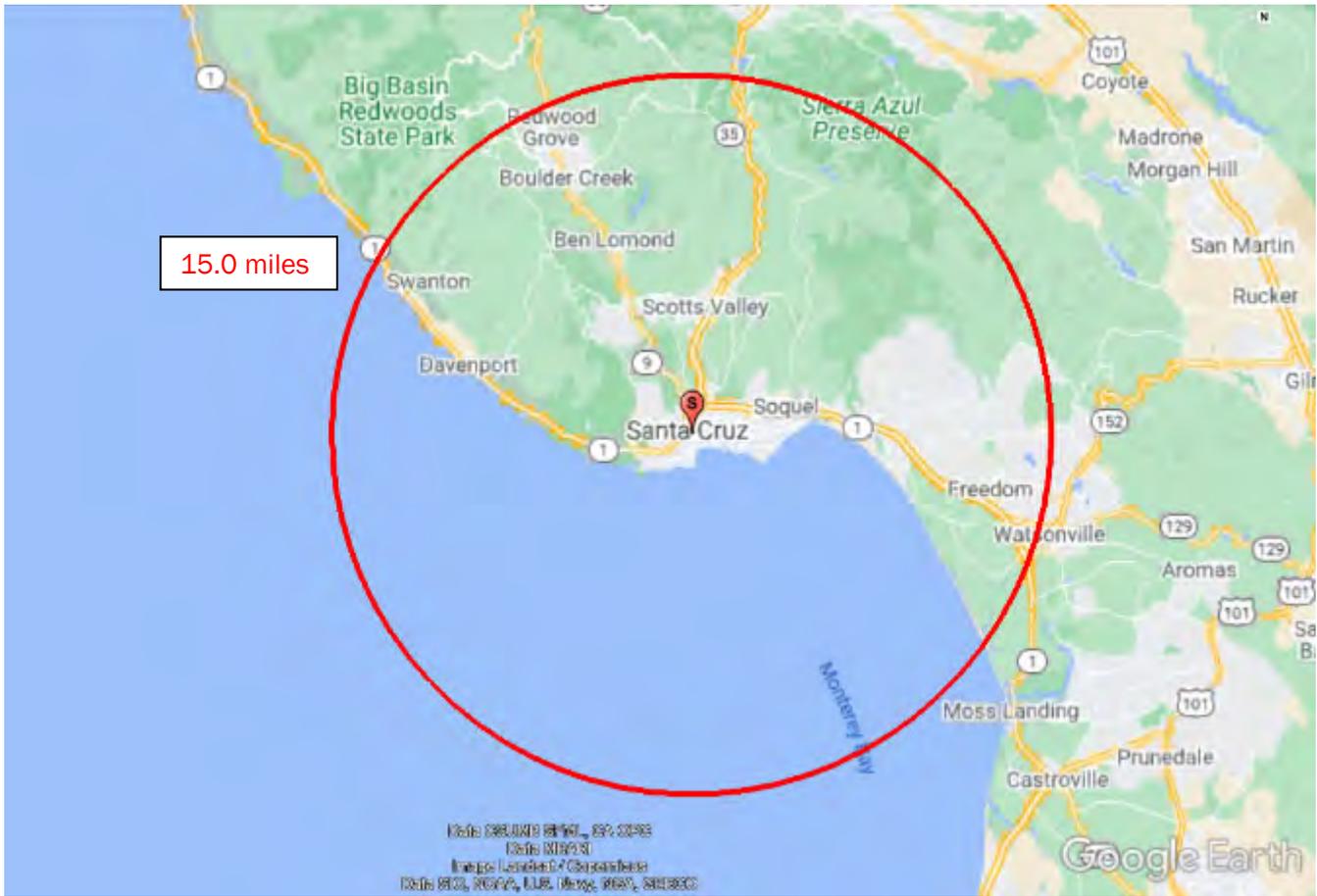
in the CBD district are 1.0 parking space per studio, 1.5 parking spaces per one-bedroom unit, and 2.0 parking spaces per two and three-bedroom unit. The Subject will be developed to a density of 84.4 units per acre and will not offer any on-site parking. However, according to the client, because the Subject offers all affordable units, and is located within 0.5 miles of public transportation, the Subject is eligible for a zoning variance, which will eliminate any parking requirements and allow for the proposed density. As such, we assume the Subject will be a legal and conforming use as proposed.

Contiguous Land Use/Zoning:

The Subject is located in Downtown Santa Cruz consisting of a variety of commercial/retail and civic uses, as well as residential uses. Land uses adjacent to the north of the Subject consist of a preschool and place of worship in good condition, followed by commercial/retail uses in good condition. Land uses adjacent to the east of the Subject consist of a parking lot, followed by commercial/retail uses in good condition. Further east is the San Lorenzo River. Land uses adjacent to the south of the Subject consist of commercial/retail uses, a condominium complex, and single-family homes, all in average condition. Land uses adjacent to the west of the Subject consist of single-family homes, commercial/retail uses, and a place of worship, all in average condition. Further west are additional single-family homes in average to good condition. Adjacent to the northwest of the Subject is the Boys & Girls Club of Santa Cruz County in average condition. Overall, land uses are in average to good condition. According to Zillow, the majority of single-family residences in the Subject's neighborhood are currently listed for sale between \$1,300,000 and \$3,000,000, the majority of which are in good to excellent condition. Additionally, the Subject has a Walk Score of 99, which is classified as a "Walker's Paradise."

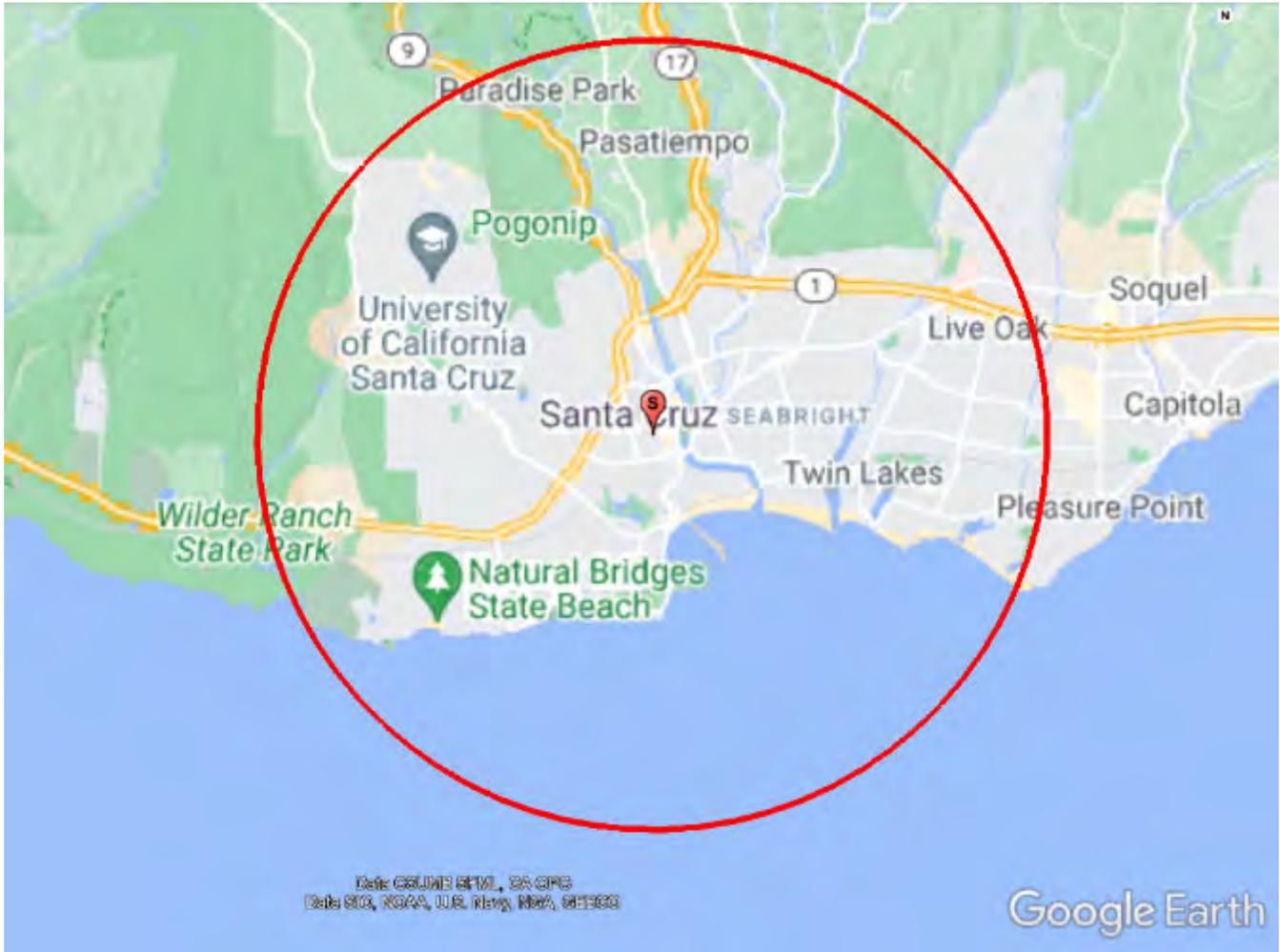
Land use to the north, east, and south of the Subject is zoned CBD (Central Business District). Land use to the west of the Subject is zoned RL (Multiple Residence Medium Rise).

Map of Subject Site I:



Source: Google Earth, June 2021

Map of Subject Site II:



Source: Google Earth, June 2021

Photographs of Subject Site and Street Views (Taken December 21, 2020)



View of Subject site facing northwest



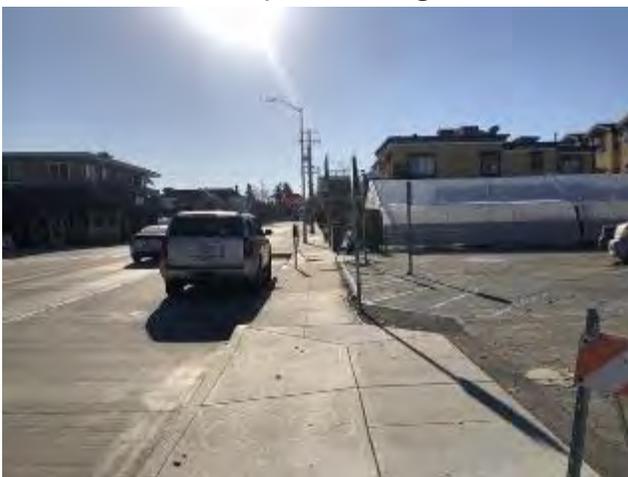
View of Subject site facing east



View of Subject site facing south



View of Subject site facing west



View south along Cedar Street



View northeast along Cedar Street



View south along Center Street



View north along Center Street

Unit Mix:

The Subject will offer 64 one, two, and three-bedroom rental units restricted to family households earning 30, 50, and 60 percent of the area median income (AMI) or below, in addition to one non-rental manager's unit. Note that 16 units at 30 percent of AMI will be reserved as Permanent Supportive Housing (PSH), targeting a homeless tenancy. Eight of the units will operate with Project-based Vouchers (PBV) through the Santa Cruz Housing Authority. The remaining eight units will have rents offset through capitalized rent reserve, and tenants in these units will pay 30 percent of their income towards rent. The Subject's developer has provided unit sizes, which are listed below, along with the proposed Subject rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	2021 HUD Fair Market Rents
<i>@30%</i>							
3BR / 2BA	1,000	4	\$1,030	\$54	\$1,084	\$1,084	\$3,947
<i>@30% (Permanent Supportive Housing)*</i>							
1BR / 1BA	600	12	\$741	\$40	\$781	\$781	\$2,292
2BR / 1BA	835	4	\$887	\$51	\$938	\$938	\$3,021
<i>@50%</i>							
1BR / 1BA	600	7	\$1,263	\$40	\$1,303	\$1,303	\$2,292
2BR / 1BA	835	3	\$1,512	\$51	\$1,563	\$1,563	\$3,021
3BR / 2BA	1,000	5	\$1,753	\$54	\$1,807	\$1,807	\$3,947
<i>@60%</i>							
1BR / 1BA	600	13	\$1,523	\$40	\$1,563	\$1,563	\$2,292
2BR / 1BA	835	6	\$1,825	\$51	\$1,876	\$1,876	\$3,021
3BR / 2BA	1,000	10	\$2,115	\$54	\$2,169	\$2,169	\$3,947
<i>Non-Rental</i>							
1BR / 1BA	600	1	N/A	N/A	N/A	N/A	\$2,292
		65					

Notes (1) Source of Utility Allowance provided by the Developer, based on the Santa Cruz Housing Authority Utility Allowance dated January 1, 2021

*Eight of the PSH units will operate with PBV through the Santa Cruz Housing Authority; the remaining eight units will have rents offset through capitalized rent reserve, and tenants will pay 30 percent of their income towards rent.

Target Population and Occupancy Type:

The Subject is a proposed affordable development that will target low-income households earning 30, 50, and 60 percent (or below) of AMI. With exception of the one manager’s unit, all of the Subject’s rental units will be affordable units targeted to income-qualified households, with incomes ranging from \$0 to \$96,780. Absent subsidy, the minimum income is \$23,430.

New Construction or Rehabilitation:

The project will be new construction.

Date of Construction:

The developer anticipates beginning construction in April 2022 with an expected completion date of November 2023.

Utility Structure:

Tenants will be responsible for electric cooking and heating, electric water heating, and general electric expenses including air conditioning. The landlord will pay for all common area utilities as well as cold water, sewer, and trash expenses. According to the client, the Subject will have a project-specific utility allowance schedule. The comparable properties have been adjusted based on the Housing Authority of the County of Santa Cruz’s Utility Allowance Schedule, effective January 1, 2021. A copy of the utility allowance schedule is included in *Addendum D*.

Construction Details: The Subject will be the new construction of a three-story lowrise residential building. The building will have a wood frame, concrete foundation, stucco exterior, and a flat roof. We have reviewed the most recent architectural plans from KTG Architecture and Planning, dated November 6, 2020, which were provided by the developer. A copy is included in *Addendum E*.

Proposed Unit Amenities: The Subject's unit amenities will include blinds, carpeting and vinyl flooring, and coat closets. Appliances will include a stove/oven, refrigerator, dishwasher, and garbage disposal. Additionally, some units will include a patio/balcony.

Proposed Development Amenities: The Subject's common area amenities will include a community room, courtyard, exercise facility, central laundry, on-site management, picnic area, playground, and recreation area. The Subject will also offer limited access and an intercom system as security features.

The Subject will include approximately 5,000 square feet of ground floor commercial space; however, the commercial space has not been analyzed as part of this report.

Parking: The Subject will not offer any on-site parking. However, the Subject is located in close proximity to public transportation. As such, we believe the lack of on-site parking will not be an issue.

Current Occupancy Levels, Rents, Tenant Incomes: The Subject will be new construction.

Conclusion: The Subject will consist of a new construction 65-unit LIHTC development targeting the general population. Of the 65 units, 64 will be restricted to households earning 30, 50, and 60 percent of the AMI or below. Note that there will be 16 units at 30 percent of AMI will be reserved as Permanent Supportive Housing (PSH), targeting a homeless tenancy. Eight of the units will operate with Project-based Vouchers (PBV) through the Santa Cruz Housing Authority. The remaining eight units will have rents offset through capitalized rent reserve, and tenants in these units will pay 30 percent of their income towards rent. The remaining unit will be a non-rental manager's unit.

DELINEATION OF MARKET AREA

DELINEATION OF MARKET AREA

PRIMARY AND SECONDARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The Subject site is located in central Santa Cruz in south-central Santa Cruz County. The Primary Market Area (PMA) generally includes Santa Cruz, as well as the communities of Twin Lakes, Live Oak, Shangri La Estates, and portions of Soquel and Capitola. General boundaries are as follows:

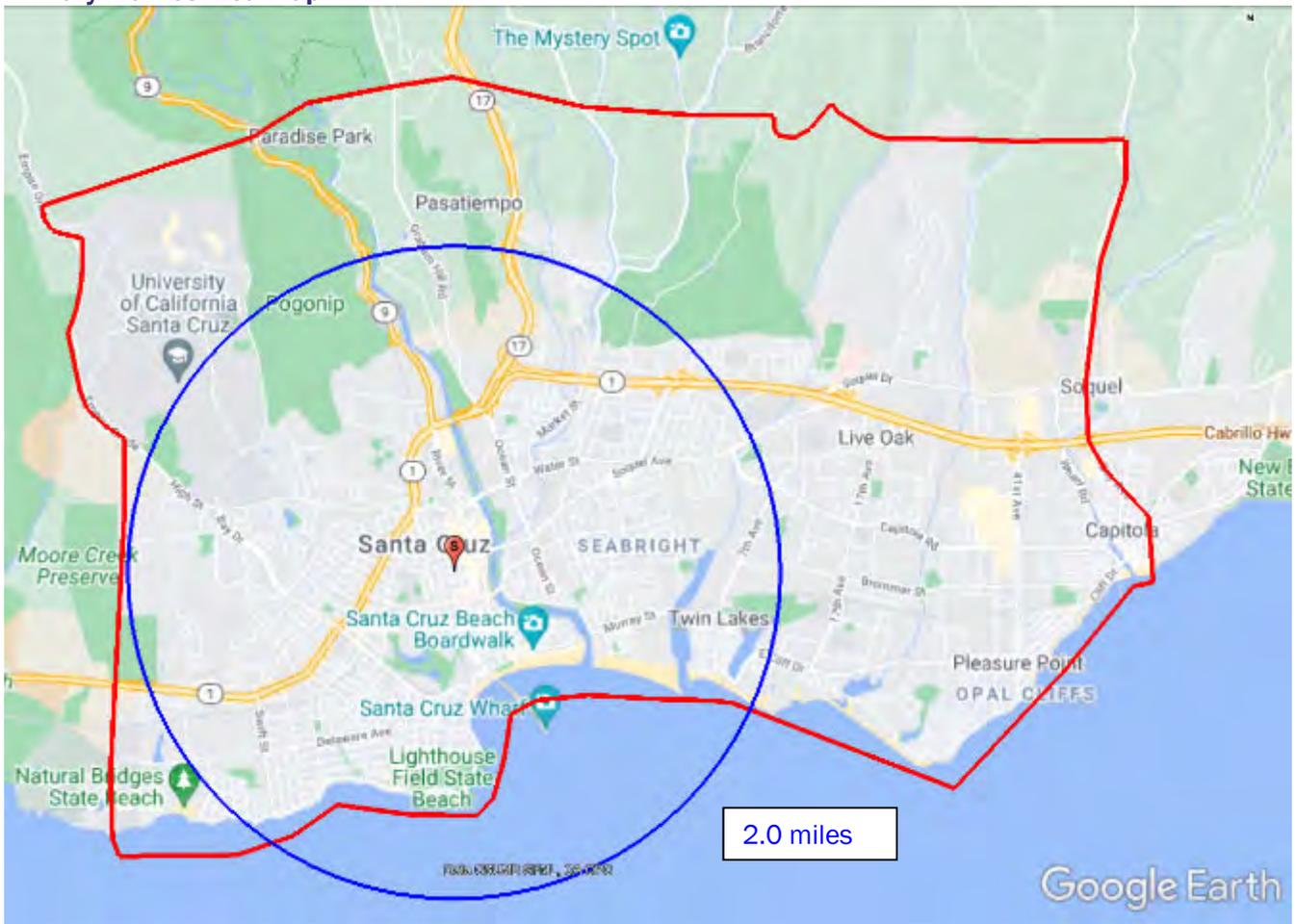
North: Scottishrite Avenue, Nepenthe Drive, Old Pilkington Road
West: Empire Grade and McAllister Way
East: Soquel San Jose Road, Porter Street, Bay Avenue, and Monterey Avenue
South: Monterey Bay

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area.

There are no natural boundaries in the PMA that would inhibit anyone from relocating to the Subject, excluding the San Lorenzo River, which is located approximately 0.2 miles east of the Subject. However, there are numerous bridges across the river, providing easy access to areas on either side. As such, we do not believe the river will have a significant effect on potential tenants relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Rental housing of all types is in strong demand. Housing in this market is at a premium, with few vacancies.

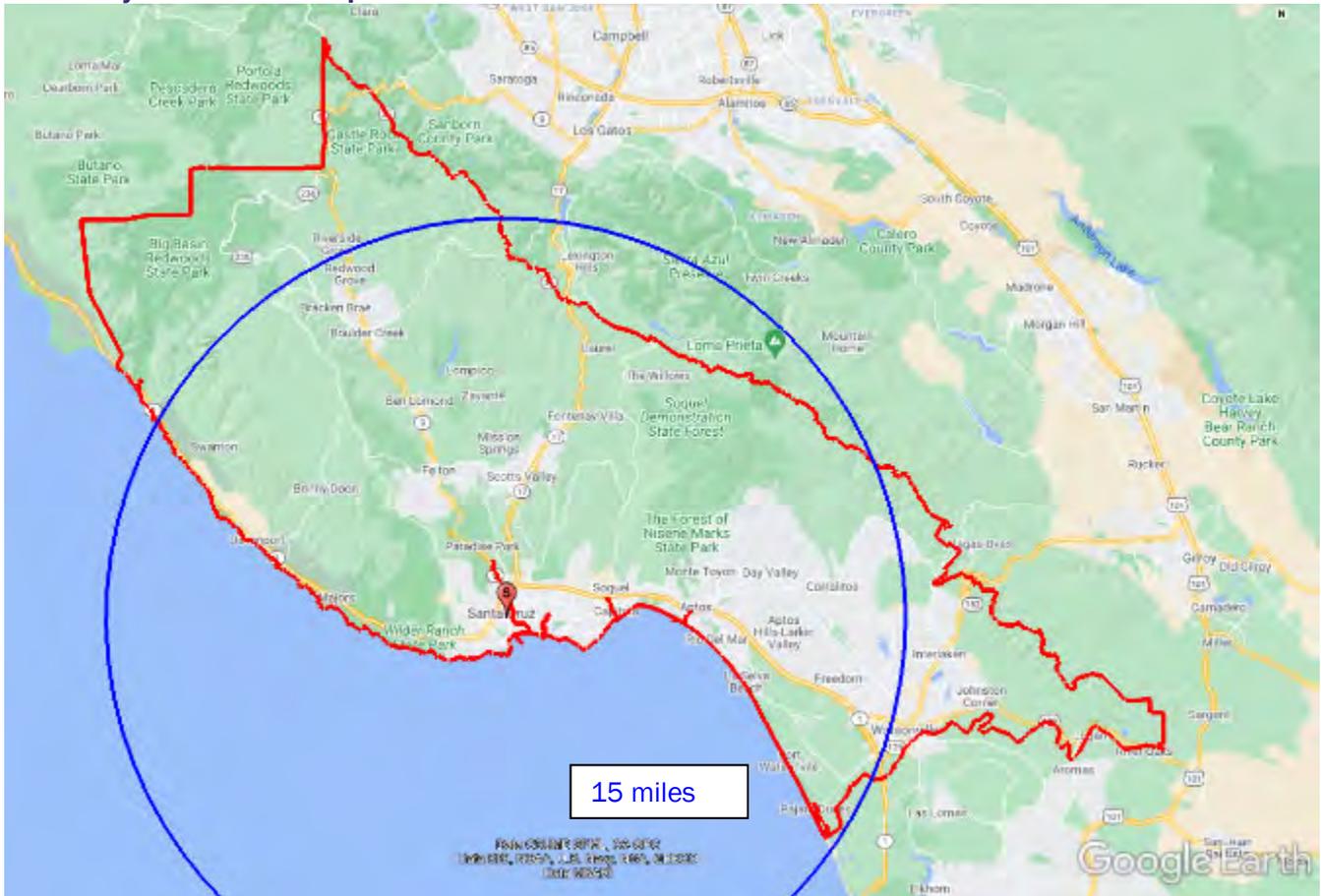
The secondary market area (SMA) for the Subject is the Santa Cruz-Watsonville Metropolitan Statistical Area (MSA), which consists solely of Santa Cruz County and encompasses approximately 446 square miles. A map outlining the PMA can be found following, along with maps of the MSA, comparable properties, and locational amenities.

Primary Market Area Map



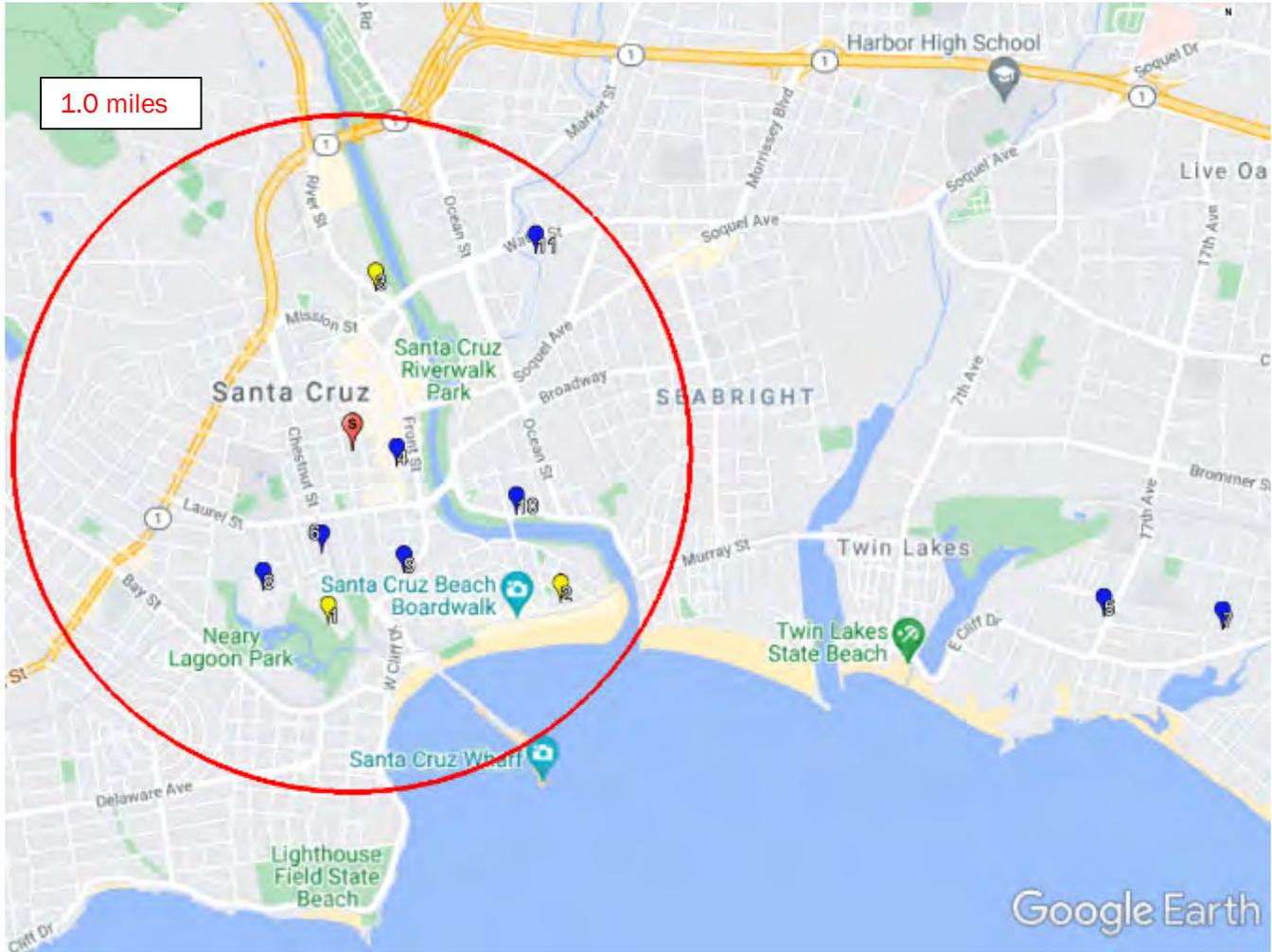
Source: Google Earth, June 2021

Secondary Market Area Map



Source: Google Earth, June 2021

Comparable Properties Map



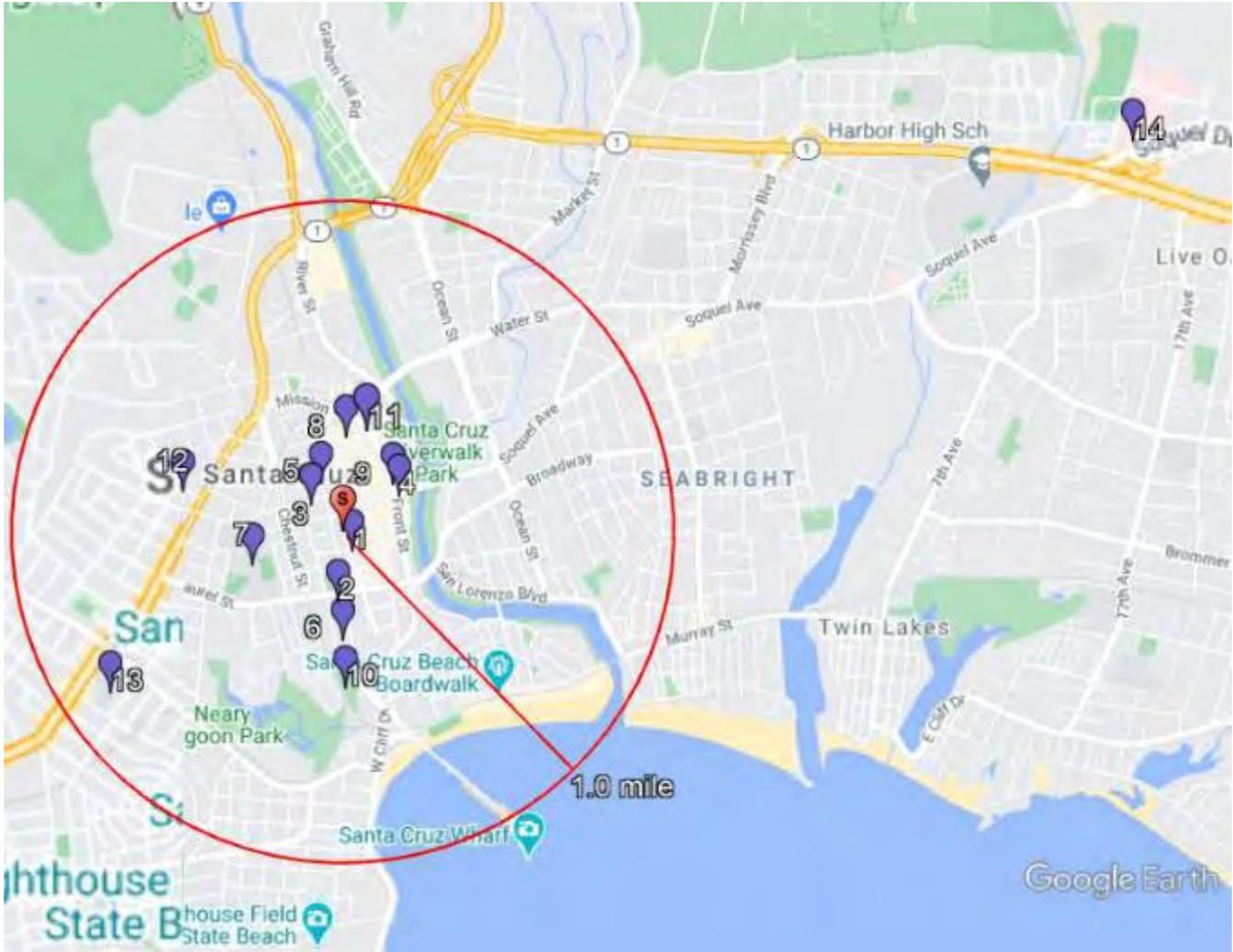
Source: Google Earth, June 2021

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Neary Lagoon	Santa Cruz	LIHTC	Family	0.5 miles
2	Nueva Vista Apartments	Santa Cruz	LIHTC	Family	0.7 miles
3	Riverwalk Apartments	Santa Cruz	LIHTC	Family	0.5 miles
4	1010 Pacific Apartments	Santa Cruz	Market	Family	0.1 miles
5	Breakwater Apartments	Santa Cruz	Market	Family	2.3 miles
6	Chestnut Street Apartments	Santa Cruz	Market	Family	0.3 miles
7	Corcoran Garden Apartments	Santa Cruz	Market	Family	2.6 miles
8	Cypress Point Apartments	Santa Cruz	Market	Family	0.5 miles
9	Five55 Pacific	Santa Cruz	Market	Family	0.4 miles
10	San Lorenzo Court	Santa Cruz	Market	Family	0.5 miles
11	The Breakers	Santa Cruz	Market	Family	0.8 miles

Locational Amenities Map

The Subject will be located in close proximity to many amenities and services. The following map and table below display the distances and location of various services from the site.



Source: Google Earth, June 2021

LOCAL AMENITIES

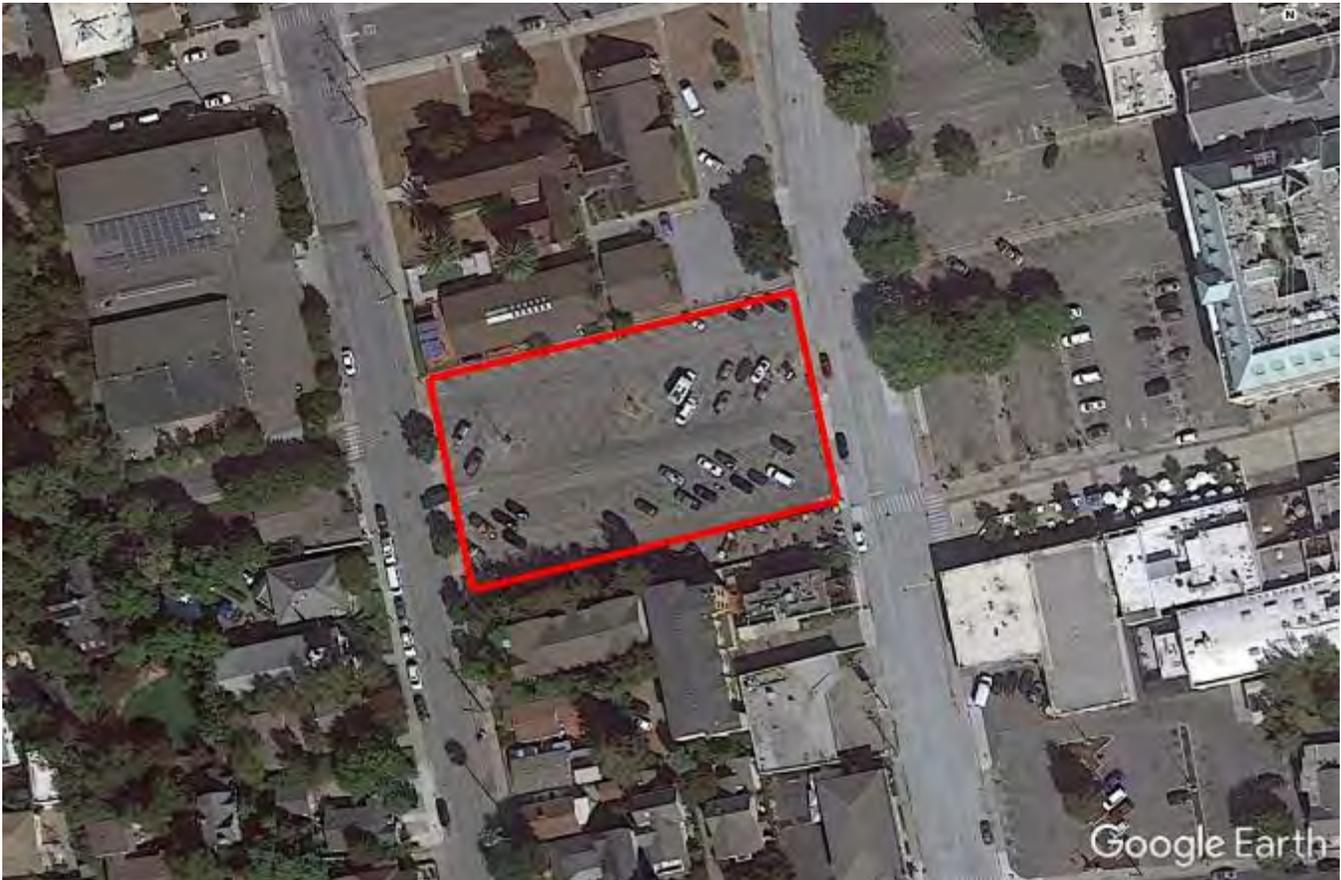
Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	< 0.1 miles
2	Louden Nelson Community Center	0.1 miles
3	Santa Cruz Fire Department	0.2 miles
4	CVS Pharmacy	0.2 miles
5	Santa Cruz Public Library	0.2 miles
6	Santa Cruz Police Department	0.3 miles
7	Santa Cruz High School	0.3 miles
8	Bank of the West	0.3 miles
9	Trader Joe's	0.3 miles
10	Depot Park	0.4 miles
11	United States Postal Service	0.4 miles
12	Mission Hill Middle School	0.5 miles
13	Bay View Elementary School	0.8 miles
14	Dominican Hospital	2.7 miles

SITE CHARACTERISTICS

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety, and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues and traffic flow.

Location: The Subject site is located at 532 Center Street, Santa Cruz, Santa Cruz County, California. The Subject site is located within Census Tract 1010.00, which is a 2021 Qualified Census Tract.

Aerial Image:



Source: Google Earth, 6/2021

Shape: The site is rectangular in shape.

Size: The site is approximately 0.77 acres, or 33,650 square feet.

Existing Improvements: The site is currently a parking lot.

Frontage: The Subject site has frontage along the west side of Cedar Street and the east side of Center Street.

Topography: The site is generally level.

Vegetation:	The site does not have any vegetation.
Proximity to Adverse Conditions:	At this time, we are unaware of any detrimental influences that would impact the value of the Subject.
Drainage:	Drainage appears adequate; however, no specific tests were performed.
Soil and Subsoil Conditions:	We were not provided with soil surveys.
Flood Plain:	According to FEMA Community Panel Number 06087C0332E, dated May 16, 2012, the Subject is located in Zone A99, which is defined as an area subject to inundation by the one percent annual chance flood event, but which will ultimately be protected upon completion of an under construction Federal flood protection system. Further analysis by Novogradac Consulting LLP is beyond the scope of the report.
Environmental:	We were not provided with an environmental assessment report. We did not observe any obvious environmental hazards during our site inspection; however, we are not experts within this field.

Photographs of Subject Site and Neighborhood (Taken December 21, 2020):



View of Subject site facing northwest



View of Subject site facing east



View of Subject site facing south



View of Subject site facing west



Place or worship/pre-school north of Subject



Parking lot and commercial/retail uses east of Subject



Commercial/retail uses east of Subject



Commercial/retail uses west of Subject



Boys & Girls Club northwest of Subject



Commercial/retail uses east of Subject



Single-family homes west of Subject



Condominiums south of Subject

Access and Traffic Flow

The site is accessible from the west side of Cedar Street and the east side of Center Street. Both Cedar Street and Center Street are moderately trafficked two-lane roads that generally traverse north and south, providing access throughout central Santa Cruz, as well as access to Lincoln Street, approximately 0.1 miles north of the Subject. Lincoln Street is a moderately trafficked two-lane road that generally traverses east and west, providing access to Highway 1/Cabrillo Highway, approximately 0.5 miles west of the Subject. Highway 1/Cabrillo Highway is a highly trafficked four-lane highway that generally traverses north and south, providing access to many areas along the California coastline, as well as access to Highway 17, approximately 1.3 miles to the north of the Subject. Highway 17 is a highly trafficked four-lane highway that generally traverses north and south, providing access to San Jose and various Interstates and thoroughfares in the metro area, approximately 25 miles to the north. Overall, access is considered good, and traffic flow in the Subject’s immediate area is considered moderate.

Visibility/Views

The site has excellent visibility from Cedar Street and Center Street. Views to the north of the Subject consist of a preschool and place of worship in good condition. Views to the east of the Subject consist of a parking lot, followed by commercial/retail uses in good condition. Views to the south of the Subject consist of commercial/retail uses, a condominium complex, and single-family homes, all in average condition. Views to the west of the Subject consist of single-family homes, commercial/retail uses, and a place of worship, all in average condition. Overall, visibility is considered excellent, and views are considered average and typical for the area.

Crime Statistics

The following table illustrates crime statistics for the PMA and the MSA as compared to the nation.

2020 CRIME INDICES

	PMA	Santa Cruz-Watsonville, CA Metropolitan Statistical Area
Total Crime*	99	87
Personal Crime*	82	82
Murder	64	61
Rape	88	86
Robbery	62	56
Assault	91	95
Property Crime*	101	88
Burglary	88	86
Larceny	107	88
Motor Vehicle Theft	91	90

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

*Unweighted aggregations

The previous table illustrates crime indices in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation’s crime index average. A crime index of 75 in a PMA would be 25 percent below the national average, while a crime rate of 200 would be twice that of the national average. As indicated in the preceding table, total crime indices in the PMA are similar to the national average and above the MSA. The Subject’s security features include limited access and intercom systems. Observations of the PMA and interviews with market participants and property managers suggest that there are no perceived local crime issues.

Summary

The Subject is located in downtown Santa Cruz, which consists of a variety of commercial/retail and civic uses, as well as residential uses in average to good condition. All shopping, services, public transit, and recreational amenities are located within a relatively short distance of the Subject. Additionally, the Subject has a Walk Score of 99, which is classified as a “Walker’s Paradise.” Furthermore, the developer’s proposed plans will result in an improvement to the neighborhood. Overall, development of the Subject will positively impact the neighborhood by providing much-needed affordable housing in the area. The neighborhood is well suited for this type of housing.

MARKET AREA ECONOMY

MARKET AREA ECONOMY

The following discussion includes an analysis of the market area economy. This section will present and analyze information regarding employment by industry, the major current employers, and unemployment trends. The Subject is located in the city of Santa Cruz in Santa Cruz County, California. Santa Cruz is the principal city within the Santa Cruz-Watsonville Metropolitan Statistical Area (MSA), which consists solely of Santa Cruz County.

It should be noted that the Market Study Requirements call for demographic information describing population and household trends to come specifically from one of the national propriety data providers. However, there is no indication that this is also required to be the data source for the market area economy discussion. Novogradac Consulting LLP obtained economic information from the Bureau of Labor Statistics, the California Employment Development Department, ESRI and Ribbon Demographics. These data sources are considered to be the most reliable and current.

Employment by Industry

The following table illustrates the distribution of employment sectors by industry within the PMA and the nation.

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	8,938	17.9%	14,320,448	9.7%
Healthcare/Social Assistance	7,162	14.3%	22,313,586	15.1%
Prof/Scientific/Tech Services	5,699	11.4%	12,049,828	8.2%
Retail Trade	4,487	9.0%	14,356,334	9.7%
Accommodation/Food Services	4,091	8.2%	8,202,612	5.6%
Manufacturing	3,559	7.1%	15,550,554	10.6%
Construction	3,319	6.6%	10,829,187	7.4%
Other Services	2,412	4.8%	6,772,309	4.6%
Public Administration	1,925	3.8%	7,071,492	4.8%
Arts/Entertainment/Recreation	1,283	2.6%	2,329,497	1.6%
Admin/Support/Waste Mgmt Svcs	1,214	2.4%	5,786,624	3.9%
Information	1,169	2.3%	2,723,217	1.8%
Real Estate/Rental/Leasing	1,086	2.2%	3,082,197	2.1%
Finance/Insurance	954	1.9%	7,169,665	4.9%
Wholesale Trade	936	1.9%	3,744,789	2.5%
Transportation/Warehousing	904	1.8%	6,959,787	4.7%
Agric/Forestry/Fishing/Hunting	515	1.0%	1,852,333	1.3%
Utilities	335	0.7%	1,274,383	0.9%
Mgmt of Companies/Enterprises	62	0.1%	210,175	0.1%
Mining	1	0.0%	729,605	0.5%
Total Employment	50,051	100.0%	147,328,622	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and professional/scientific/technological services industries, which collectively comprise 43.6 percent of local employment. The large share of PMA employment in the healthcare industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, professional/

scientific/technological services, and accommodation/food services industries. Conversely, the PMA is underrepresented in the manufacturing, finance/insurance, and transportation/warehousing industries. The ESRI data is based upon 2010 Census information, which is trended to forecast current data. The California Employment Development Department publishes 2019 data for Santa Cruz, County, and is shown in the following table.

EMPLOYMENT BY INDUSTRY – SANTA CRUZ COUNTY, CA

Industry	2014	%	2015	%	2016	%
Total Farm	4,900	4.9%	4,700	4.5%	5,200	4.9%
Mining, Logging, and Construction	3,300	3.3%	3,900	3.8%	4,400	4.2%
Manufacturing	5,700	5.7%	6,400	6.2%	6,300	6.0%
Wholesale Trade	3,400	3.4%	3,400	3.3%	3,200	3.0%
Retail Trade	12,100	12.0%	12,500	12.1%	12,600	12.0%
Transportation, Warehousing & Utilities	1,400	1.4%	1,600	1.5%	1,700	1.6%
Information	900	0.9%	900	0.9%	800	0.8%
Financial Activities	3,600	3.6%	3,600	3.5%	3,600	3.4%
Professional & Business Services	10,200	10.1%	10,200	9.8%	10,300	9.8%
Educational & Health Services	17,100	17.0%	17,400	16.8%	17,400	16.5%
Leisure & Hospitality	12,200	12.1%	12,600	12.2%	12,800	12.1%
Other Services	4,300	4.3%	4,600	4.4%	4,600	4.4%
Government	21,600	21.4%	21,800	21.0%	22,500	21.3%
Total Employment	100,700	100.0%	103,600	100.0%	105,400	100.0%

Industry	2017	%	2018	%	2019	%
Total Farm	4,700	4.4%	4,700	4.4%	4,700	4.3%
Mining, Logging, and Construction	4,400	4.1%	4,400	4.1%	4,500	4.1%
Manufacturing	6,600	6.2%	6,900	6.5%	7,200	6.6%
Wholesale Trade	3,400	3.2%	3,300	3.1%	3,400	3.1%
Retail Trade	12,600	11.8%	11,900	11.1%	12,100	11.1%
Transportation, Warehousing & Utilities	1,600	1.5%	1,700	1.6%	1,700	1.6%
Information	700	0.7%	600	0.6%	600	0.6%
Financial Activities	3,600	3.4%	3,500	3.3%	3,600	3.3%
Professional & Business Services	10,500	9.8%	10,600	9.9%	10,800	9.9%
Educational & Health Services	18,000	16.9%	18,000	16.8%	17,700	16.3%
Leisure & Hospitality	13,300	12.5%	13,400	12.5%	13,200	12.1%
Other Services	5,000	4.7%	5,200	4.9%	5,100	4.7%
Government	22,400	21.0%	22,700	21.2%	24,300	22.3%
Total Employment	106,800	100.0%	106,900	100.0%	108,900	100.0%

Source: California Employment Development Department, Novogradac & Company LLP, 6/2021

Jobs within the government, educational and health services, leisure and hospitality sectors represent 50.7 percent of employment as of 2019. Another significant employment sector in the county includes retail trade, representing 11.1 percent of total non-farm employment.

Major Employers

The following charts identify the major employers in Santa Cruz County. The Subject’s surrounding area offers numerous employment opportunities at various skill levels.

MAJOR EMPLOYERS – SANTA CRUZ COUNTY, CA

Company	City	Industry	Employees
Dominican Hospital	Santa Cruz	Healthcare/Social Assistance	1,000-4,999
Pajaro Valley Unified Sch District	Watsonville	Educational Services	1,000-4,999
Santa Cruz Beach Boardwalk	Santa Cruz	Arts/Entertainment/Recreation	1,000-4,999
Santa Cruz Governmental Ctr	Santa Cruz	Public Administration	1,000-4,999
University of CA Santa Cruz	Santa Cruz	Educational Services	1,000-4,999
Ameri-Kleen	Watsonville	Other Services	500-999
Granite Rock	Watsonville	Construction	500-999
Larse Farms Inc	Watsonville	Agric/Forestry/Fishing/Hunting	500-999
Monterey Mushrooms Inc	Watsonville	Agric/Forestry/Fishing/Hunting	500-999
Mukti For Social Development	Santa Cruz	Finance/Insurance	500-999
Poly Inc	Santa Cruz	Manufacturing	500-999
Santa Cruz Health Ctr	Santa Cruz	Healthcare/Social Assistance	500-999
Source Naturals	Scotts Valley	Manufacturing	500-999
Watsonville City Sewer Dept	Watsonville	Public Administration	500-999
Watsonville Community Hospital	Watsonville	Healthcare/Social Assistance	500-999
Audiology Associates	Soquel	Healthcare/Social Assistance	250-499
Cocconut Grove	Santa Cruz	Arts/Entertainment/Recreation	250-499
Costco Wholesale	Santa Cruz	Wholesale Trade	250-499
Creekside Farms Inc	Watsonville	Agric/Forestry/Fishing/Hunting	250-499
Granite Construction Co	Watsonville	Construction	250-499
Operations Department	Santa Cruz	Transportation/Warehousing	250-499
Safeway	Soquel	Retail Trade	250-499
Salud Para La Gente	Watsonville	Healthcare/Social Assistance	250-499
Santa Cruz County Sheriff	Santa Cruz	Public Administration	250-499
West Marine Inc	Watsonville	Manufacturing	250-499

Source: State of California Employment Development Department 2020, Novogradac Consulting LLP, 6/2021

Of the largest employers in Santa Cruz County, 11 are located in Santa Cruz. The largest employers in the county are Dominican Hospital, Pajaro Valley Unified School District, Santa Cruz Beach Boardwalk, Santa Cruz Governmental Center, and the University of California Santa Cruz, each with between 1,000 and 4,999 employees, four of which are located in the city. Further, it appears that the tourism and outdoor recreation sector are an important driver of the local economy. Overall, the economy in Santa Cruz County appears to be well diversified. This is illustrated by various industries that are represented amongst the major employers. Further, several of the largest employers are within the healthcare/social assistance, education, arts/entertainment/recreation, and government sectors, many of which are historically stable industries.

Employment Expansion/Contractions

We spoke with Rebecca Unitt with the City of Santa Cruz Department of Economic Development in January 2020 regarding recent and upcoming business expansion in the area. We attempted to contact the department numerous times for an update; however, as of the date of this report, our calls and emails have not been returned. According to our previous interview with Ms. Unitt, there have been no major business closures or layoffs in the area in the last few years—prior to the onset of the COVID-19 pandemic. Further, she stated that there are several recent business expansions in the city, which are detailed following:

- Kaiser Permanente recently expanded into downtown Santa Cruz, with 45 added physicians.
- Looker, a data analytics company of 500 employees, was acquired by Google in late 2019. With the acquisition, Google plans to expand the company into two additional floors in a four-story building downtown. The expansion is expected to create an estimated 200 new jobs.
- Future Motion, an electronics engineering and manufacturing company of 30 employees, expanded into a 60,000-square-foot building in 2018. The company has plans to add an additional 30 new jobs over the next several years.

We spoke with Casey Beyer, CEO of the Santa Cruz County Chamber of Commerce in January 2021 regarding recent and upcoming business expansion in the area. We attempted to contact the chamber numerous times for an update; however, as of the date of this report, our calls and emails have not been returned. According to our previous interview with Mr. Beyer, approximately 82 percent of businesses in Santa Cruz are small businesses, so the county has a difficult time tracking specific business developments and job creation. As such, he was unable to provide us with details on recent business developments in the area. However, he stated that overall job growth in recent years throughout the county has primarily been in the medical industries sector, while the tourism and agriculture sectors have also seen some growth. Further, he added that there is a huge shortage of affordable housing in the area.

We researched WARN (Worker Adjustment and Retraining Notification) notices listed on the California Employment Development Department website. The following table illustrates the WARN notices issued in the city of Santa Cruz from 2018 to year-to-date 2021.

WARN NOTICES - SANTA CRUZ, CA (2018-2021 YTD)

Notice Date	Name of Business	Type	Jobs Lost
8/6/2020	BPR Properties Management, LLC	Layoff	82
6/1/2020	Benchmark Conference Resorts of California	Layoff	125
6/2/2020	BPR Properties Management, LLC	Layoff	68
5/7/2020	Diocese of Monterey	Layoff	58
5/1/2020	Santa Cruz Seaside Company	Layoff	1,097
4/21/2020	Barnaby Ltd	Layoff	13
4/11/2020	Compagnon Incorporated	Layoff	51
3/25/2020	Dream Inn Santa Cruz	Layoff	191
3/24/2020	Pizza My Heart Inc.	Layoff	14
3/23/2020	Chaminade Resort and Spa	Layoff	173
3/17/2020	Verve Coffee Roasters	Closure	152
10/9/2019	Chaminade Resort & Spa	Layoff	93
8/30/2019	Coastline Support, Inc.	Closure	55
Total			2,172

Source: State of California Economic Development Division, 6/2021

According to the WARN listings for Santa Cruz, there have been 2,172 total job losses between 2018 and 2021 year-to-date. It should be noted that there were no WARN listings for 2018. Since the onset of the COVID-19 pandemic in March 2020, there have been 11 WARN listings filed totaling 2,024 layoffs. These account for approximately 93 percent of all notices dating back to 2018, which may indicate temporary job losses, although further information was not available.

Employment and Unemployment Trends

The table below illustrates the employment and unemployment rate for the MSA from 2005 to April 2021.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)									
Santa Cruz-Watsonville, CA Metropolitan Statistical Area					USA				
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change	
2005	134,065	-	6.3%	-	141,730,000	-	5.1%	-	
2006	135,213	0.9%	5.7%	-0.6%	144,427,000	1.9%	4.6%	-0.5%	
2007	136,424	0.9%	5.9%	0.2%	146,047,000	1.1%	4.6%	0.0%	
2008	135,383	-0.8%	7.4%	1.5%	145,363,000	-0.5%	5.8%	1.2%	
2009	131,288	-3.0%	11.6%	4.2%	139,878,000	-3.8%	9.3%	3.5%	
2010	122,559	-6.6%	13.7%	2.1%	139,064,000	-0.6%	9.6%	0.3%	
2011	122,382	-0.1%	13.3%	-0.3%	139,869,000	0.6%	9.0%	-0.7%	
2012	124,756	1.9%	12.1%	-1.3%	142,469,000	1.9%	8.1%	-0.9%	
2013	126,860	1.7%	10.4%	-1.6%	143,929,000	1.0%	7.4%	-0.7%	
2014	129,469	2.1%	8.9%	-1.6%	146,305,000	1.7%	6.2%	-1.2%	
2015	132,434	2.3%	7.5%	-1.3%	148,833,000	1.7%	5.3%	-0.9%	
2016	133,730	1.0%	7.0%	-0.5%	151,436,000	1.7%	4.9%	-0.4%	
2017	134,514	0.6%	5.8%	-1.2%	153,337,000	1.3%	4.4%	-0.5%	
2018	134,198	-0.2%	5.0%	-0.7%	155,761,000	1.6%	3.9%	-0.4%	
2019	134,100	-0.1%	5.0%	-0.1%	157,538,000	1.1%	3.7%	-0.2%	
2020	120,932	-9.8%	9.5%	4.6%	147,795,000	-6.2%	8.1%	4.4%	
2021 YTD Average*	118,796	-1.8%	8.3%	-1.3%	150,267,200	1.7%	6.2%	-1.9%	
Apr-2020	108,939	-	17.6%	-	133,326,000	-	14.4%	-	
Apr-2021	119,356	9.6%	7.7%	-9.9%	151,160,000	13.4%	5.7%	-8.7%	

Source: U.S. Bureau of Labor Statistics, June 2021

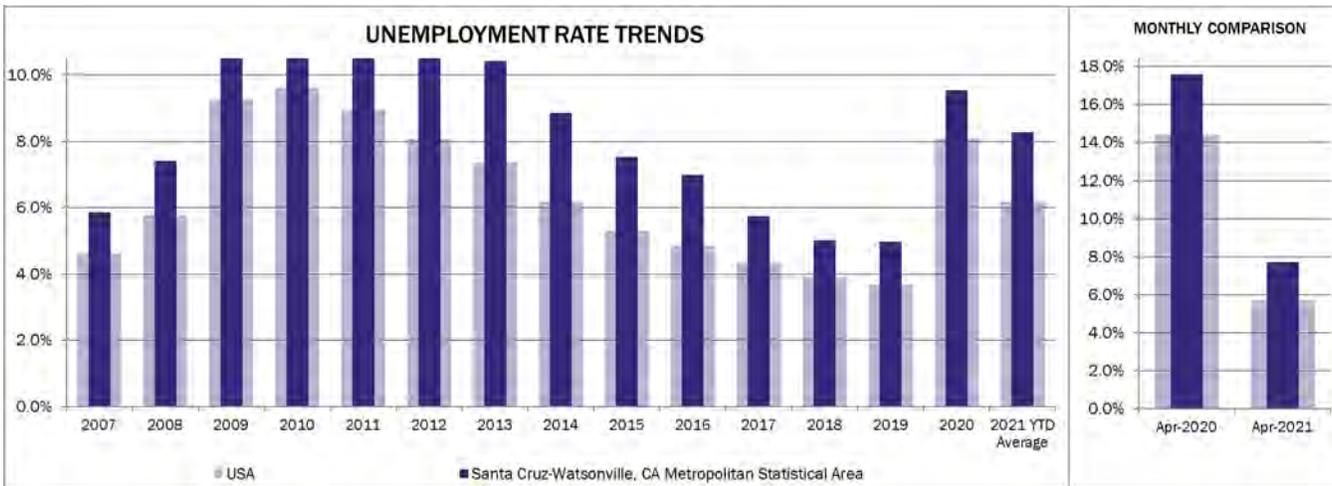
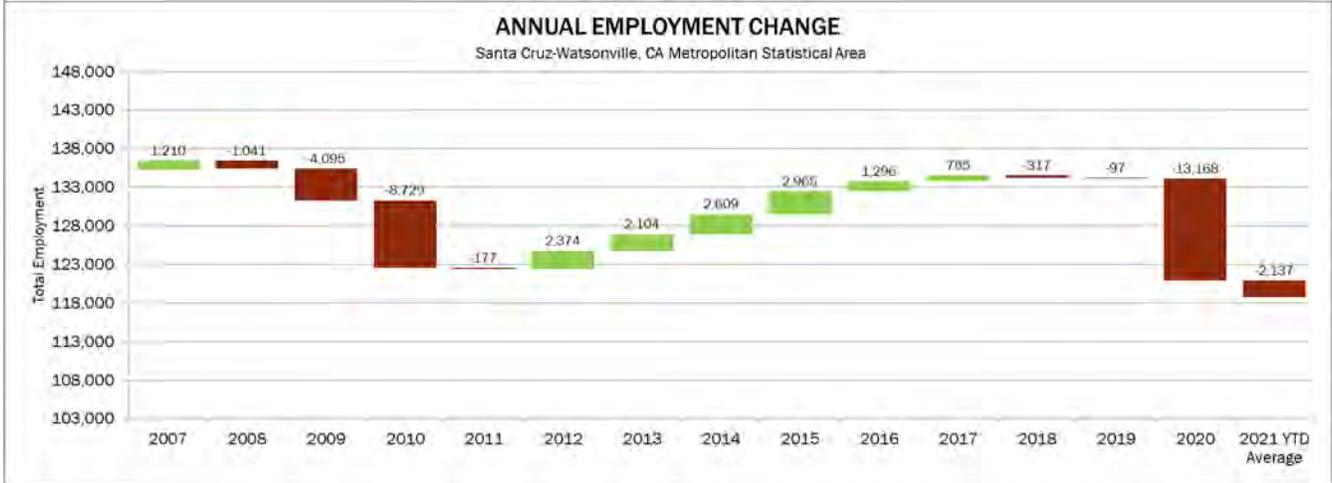
*2021 data is through April

The state of California was significantly impacted by the Great Recession and experienced greater employment losses than much of the country. This is also true for the MSA, which experienced significant losses during the Great Recession. Prior to the Great Recession, the MSA experienced modest annual employment growth. Employment in the MSA decreased as a result of the recession from 2008 through 2010 with a decrease of 6.4 percent in 2010 alone. It should be noted that the Bureau of Labor Statistics changed their methodology for calculating total employment in 2010; therefore, there is a break in the series of data from 2009 to 2010, which likely attributes, at least in part, to the elevated decrease in total employment from 2009 to 2010. Employment remained constant through 2011, and the MSA began its recovery in 2012. Total employment in the MSA has increased in six out the seven years between 2012 and 2019. As shown, COVID-19 has had a significant impact on the MSA in terms of employment, to a greater degree than the nation. Employment in the MSA declined 9.8 percent in 2020, compared to a 6.2 percent decline for the nation. Between April 2020 and April 2021, total employment in the MSA increased by 9.6 percent, compared to a 13.4 percent increase nationwide.

Unemployment in the MSA has exceeded the national unemployment rate every year since 2004. Further, unemployment in the MSA was elevated prior to the Great Recession. Unemployment decreased annually from 2003 to 2007 but increased from 2007 to 2010, peaking at 13.3 percent in 2010, nearly four percentage points higher than the peak national unemployment rate of 9.6. Unemployment in the MSA decreased consistently from 2010 to 2019 but still remained higher than the national unemployment rate. Further, similar to employment figures, COVID-19 has had a significant impact on unemployment in the MSA, to a greater degree than that of the nation. Between April 2020 and April 2021, unemployment in the MSA

increased by 1.3 percentage points, compared to a 1.9 percentage point increase nationwide. As of April 2021, the local unemployment rate is 7.7 percent, above the national rate of 5.7 percent.

The charts following provide more illustration of the changes in employment and unemployment rate trends in the MSA.



Wages by Occupation

The following table details the wages by occupation for the second quarter 2020 for the Santa Cruz-Watsonville Metropolitan Statistical Area (MSA), which is the most recent available.

SANTA CRUZ-WATSONVILLE, CA METROPOLITAN STATISTICAL AREA - 2ND QTR 2020 AREA WAGE

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	91,050	\$29.18	\$60,680
Management Occupations	5,180	\$59.31	\$123,370
Healthcare Practitioners and Technical Occupations	4,780	\$57.59	\$119,780
Legal Occupations	0	\$55.63	\$115,710
Architecture and Engineering Occupations	1,260	\$48.89	\$101,690
Computer and Mathematical Occupations	1,950	\$46.61	\$96,940
Life, Physical, and Social Science Occupations	1,280	\$41.58	\$86,480
Business and Financial Operations Occupations	4,080	\$38.47	\$80,020
Educational Instruction and Library Occupations	9,270	\$34.48	\$71,720
Arts, Design, Entertainment, Sports, and Media Occupations	990	\$32.59	\$67,790
Protective Service Occupations	1,760	\$32.52	\$67,640
Construction and Extraction Occupations	3,610	\$31.03	\$64,550
Community and Social Service Occupations	2,530	\$28.00	\$58,230
Installation, Maintenance, and Repair Occupations	2,690	\$27.05	\$56,270
Office and Administrative Support Occupations	11,350	\$23.04	\$47,920
Sales and Related Occupations	8,450	\$21.94	\$45,630
Production Occupations	4,080	\$20.34	\$42,310
Transportation and Material Moving Occupations	5,780	\$19.60	\$40,770
Building and Grounds Cleaning and Maintenance Occupations	3,470	\$19.47	\$40,500
Healthcare Support Occupations	5,920	\$17.55	\$36,510
Personal Care and Service Occupations	1,790	\$17.50	\$36,390
Food Preparation and Serving Related Occupations	9,500	\$16.89	\$35,120
Farming, Fishing, and Forestry Occupations	920	\$15.13	\$31,460

Source: Department Of Labor, Occupational Employment Statistics, 5/2020, retrieved 6/2021

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is farming, fishing, and forestry occupations at \$15.13 per hour. The highest average hourly wage, of \$59.31, is for those in management occupations. Qualifying incomes for the Subject's affordable units will range between \$0 and \$96,780. Absent subsidy, the minimum income is \$23,430. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

The following table shows the travel time to work for the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,429	3.0%
Travel Time 5-9 min	7,885	16.4%
Travel Time 10-14 min	9,358	19.4%
Travel Time 15-19 min	8,070	16.7%
Travel Time 20-24 min	6,064	12.6%
Travel Time 25-29 min	2,209	4.6%
Travel Time 30-34 min	3,515	7.3%
Travel Time 35-39 min	565	1.2%
Travel Time 40-44 min	1,276	2.6%
Travel Time 45-59 min	3,166	6.6%
Travel Time 60-89 min	3,250	6.7%
Travel Time 90+ min	1,432	3.0%
Weighted Average	26 minutes	

Source: US Census 2020, Novogradac Consulting LLP, June 2021

As shown in the preceding table, the highest percentage of commuters fall within the 10 to 14 minute bracket. Further, 68.1 percent commuters in the PMA travel under 24 minutes, indicating that many households work inside of the PMA.

Conclusion

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and professional/scientific/technological services industries, which collectively comprise 43.6 percent of local employment. The large share of PMA employment in the healthcare industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. The majority of commuters travel under 24 minutes, and the Subject’s location in central Santa Cruz provides employment opportunities at various skill levels. Between 2012 and 2019, total employment in the MSA has increased in six out the seven years, and unemployment has been steadily decreasing. However, COVID-19 has had a significant impact on employment and unemployment in the MSA, to a greater degree than that of the nation. Employment in the MSA declined 9.8 percent in 2020, compared to a 6.2 percent decline for the nation. Between April 2020 and April 2021, total employment in the MSA increased by 9.6 percent, compared to a 13.4 percent increase nationwide. Further, as of April 2021, the local unemployment rate is 7.7 percent, above the national rate of 5.7 percent. Given the local economy’s performance during the COVID-19 pandemic, we maintain that the MSA will experience a slower recovery from the impacts of the pandemic than the overall nation.

DEMOGRAPHIC ANALYSIS

DEMOGRAPHIC ANALYSIS

In this section, we compare population, household, and income trends in the PMA and the Santa Cruz-Watsonville Metropolitan Statistical Area (MSA). ESRI Business Systems and HISTA Ribbon Demographics, national proprietary data providers, provide all information to us. TCAC requirements call for current demographic information; however, current year (2021) data is not yet available. As such, 2020 data has been illustrated.

According to the developer, the estimated date of market entry for the Subject will be November 2023. All estimates have been projected to that date. The data is presented for both the PMA and the MSA in which the project is located, as well as national data when available and/or relevant.

POPULATION TRENDS

Total Population

The following table illustrates total population in the PMA, MSA, and nation from 2000 through 2025, including the projected population at the time of market entry.

Year	PMA		Santa Cruz-Watsonville, CA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	101,401	-	254,950	-	280,304,282	-
2010	99,554	-0.2%	262,382	0.3%	308,745,538	1.0%
2020	103,833	0.4%	270,370	0.3%	333,793,107	0.8%
Projected Mkt Entry November 2023	104,323	0.1%	271,716	0.1%	341,945,224	0.7%
2025	104,568	0.1%	272,389	0.1%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

Population within the PMA decreased 0.2 percent annually from 2000 to 2010. In contrast, between 2010 and 2020, the population in the PMA increased approximately 0.4 percent annually, which is a similar rate when compared to the MSA. The population is forecast to continue to increase annually by 0.1 percent through the date of market entry and 2025, on par with the MSA and below national growth rates.

Population by Age Group

The following tables illustrate population by age group in the PMA and MSA from 2000 through 2025. This includes the projected population at the time of market entry.

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2020	Projected Mkt Entry November 2023	2025
0-4	5,383	4,438	4,098	4,138	4,158
5-9	5,401	4,348	4,061	4,014	3,991
10-14	5,438	4,198	4,191	4,035	3,957
15-19	7,954	9,829	10,446	10,209	10,090
20-24	11,248	14,134	12,178	11,979	11,879
25-29	8,499	7,437	8,865	8,176	7,831
30-34	8,319	6,471	8,412	8,434	8,445
35-39	8,041	6,150	6,470	7,471	7,971
40-44	8,164	6,173	5,507	5,821	5,978
45-49	8,274	6,310	5,656	5,523	5,456
50-54	6,931	6,821	6,009	5,708	5,557
55-59	4,183	7,014	6,246	5,957	5,812
60-64	2,904	5,570	6,230	5,895	5,728
65-69	2,376	3,305	5,544	5,467	5,429
70-74	2,492	2,190	3,959	4,508	4,783
75-79	2,271	1,662	2,346	3,019	3,355
80-84	1,683	1,542	1,533	1,838	1,990
85+	1,844	1,962	2,082	2,133	2,158
Total	101,405	99,554	103,833	104,323	104,568

Santa Cruz-Watsonville, CA Metropolitan Statistical Area					
Age Cohort	2000	2010	2020	Projected Mkt Entry November 2023	2025
0-4	15,543	15,045	14,157	14,238	14,278
5-9	17,056	15,071	14,393	14,236	14,158
10-14	17,563	15,347	14,960	14,661	14,512
15-19	19,883	21,834	20,919	20,500	20,291
20-24	20,977	24,391	21,927	21,094	20,677
25-29	17,661	17,597	20,327	18,624	17,773
30-34	19,066	16,152	19,612	20,059	20,283
35-39	20,460	15,918	17,007	18,652	19,474
40-44	21,471	17,157	14,880	16,137	16,765
45-49	21,782	18,712	15,381	15,184	15,086
50-54	18,656	20,065	16,812	15,692	15,132
55-59	11,614	19,781	18,251	16,950	16,300
60-64	7,778	16,154	18,127	17,241	16,798
65-69	6,265	9,699	16,026	16,097	16,133
70-74	6,043	6,175	11,827	13,243	13,951
75-79	5,423	4,591	6,717	8,954	10,072
80-84	3,869	4,077	4,152	5,081	5,546
85+	3,842	4,616	4,895	5,072	5,160
Total	254,952	262,382	270,370	271,716	272,389

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

Number of Elderly and Non-Elderly

The table below is an illustration of the elderly and non-elderly population.

NUMBER OF ELDERLY AND NON-ELDERLY

Year	Total Population	PMA		Santa Cruz-Watsonville, CA Metropolitan		
		Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
2000	101,401	90,735	10,666	254,950	210,116	25,442
2010	99,554	88,893	10,661	262,382	197,289	29,158
2020	103,833	88,369	15,464	270,370	190,375	43,617
Projected Mkt Entry November 2023	104,323	87,358	16,965	271,716	189,078	48,447
2025	104,568	86,853	17,715	272,389	188,429	50,862

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021.

As illustrated in the table above, within the PMA, population is greatest in the non-elderly population, those aged 64 or under. At the time of market entry, the non-elderly population will comprise approximately 83.7 percent of the total population within the PMA, a slight decrease from 85.1 percent in 2020.

HOUSEHOLD TRENDS

Total Number of Households

The following table illustrates the total number of households in the PMA, MSA, and nation.

HOUSEHOLDS

Year	PMA		Santa Cruz-Watsonville, CA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	39,386	-	91,128	-	105,081,032	-
2010	38,172	-0.3%	94,444	0.4%	116,716,293	1.1%
2020	38,939	0.2%	96,033	0.2%	126,083,847	0.8%
Projected Mkt Entry November 2023	39,152	0.2%	96,490	0.1%	129,133,610	0.7%
2025	39,259	0.2%	96,719	0.1%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021.

Within the PMA, the number of households decreased 0.3 percent annually from 2000 to 2010. The number of households increased at an annual rate of 0.2 percent between 2010 and 2020, similar to the MSA and slightly lower than the nation. At the time of market entry, there are projected to be 39,152 households in the PMA. The number of households is forecast to continue increasing through 2025, when the PMA is projected to contain 39,259 households.

Household by Tenure

The table below illustrates total households by tenure for the general population, the elderly population, and the non-elderly population.

TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Santa Cruz-Watsonville, CA Metropolitan Statistical Area			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	19,565	49.7%	19,821	50.3%	54,090	59.4%	37,038	40.6%
2010	18,261	47.8%	19,911	52.2%	54,268	57.5%	40,176	42.5%
2020	18,782	48.2%	20,157	51.8%	55,718	58.0%	40,315	42.0%
Projected Mkt Entry November 2023	19,038	48.6%	20,114	51.4%	56,409	58.5%	40,081	41.5%
2025	19,166	48.8%	20,093	51.2%	56,755	58.7%	39,964	41.3%

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

TENURE PATTERNS - NON-ELDERLY POPULATION (not 65+)

Year	PMA				Santa Cruz-Watsonville, CA Metropolitan Statistical Area			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2010	6,198	71.2%	2,508	28.8%	17,546	77.1%	5,215	22.9%
2020	7,358	67.6%	3,528	32.4%	21,067	73.7%	7,517	26.3%
Projected Mkt Entry November 2023	7,883	66.7%	3,928	33.3%	22,854	73.4%	8,270	26.6%
2025	8,146	66.4%	4,128	33.6%	23,747	73.3%	8,646	26.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

TENURE PATTERNS - NON-ELDERLY POPULATION (not 65+)

Year	PMA				Santa Cruz-Watsonville, CA Metropolitan Statistical Area			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2010	10,903	40.0%	16,383	60.0%	33,201	50.4%	32,659	49.6%
2020	10,899	40.2%	16,229	59.8%	32,864	50.6%	32,045	49.4%
Projected Mkt Entry	10,892	40.5%	15,986	59.5%	32,662	51.0%	31,435	49.0%
2025	19,166	48.8%	20,093	51.2%	56,755	58.7%	39,964	41.3%

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

As indicated, the total number of renter-occupied housing units within the PMA in 2020 was 51.8 percent of total households. The number of renter-households is projected to decrease slightly through the date of market entry and 2025. Comparatively, the total percentage of renter-occupied households within the MSA in 2020 is 42.0 percent, which is also projected to decrease slightly through 2025.

Average Household Size

The following table illustrates average household size.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Santa Cruz-Watsonville, CA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.43	-	2.70	-	2.59	-
2010	2.44	0.1%	2.67	-0.1%	2.57	-0.1%
2020	2.37	-0.3%	2.67	0.0%	2.58	0.0%
Projected Mkt Entry November 2023	2.37	0.0%	2.67	0.0%	2.59	0.0%
2025	2.37	0.0%	2.67	0.0%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, June 2021

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2025.

Renter Households by Number of Persons in the Household

The following tables show household size by renter tenure.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2020		Projected Mkt Entry November 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	7,511	37.3%	7,560	37.6%	7,584	37.7%
2 Persons	5,577	27.7%	5,480	27.2%	5,431	27.0%
3 Persons	3,191	15.8%	3,190	15.9%	3,190	15.9%
4 Persons	2,087	10.4%	2,096	10.4%	2,101	10.5%
5+ Persons	1,791	8.9%	1,788	8.9%	1,787	8.9%
Total Households	20,157	100%	20,114	100%	20,093	100%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, June 2021

The Subject will primarily accommodate households with one to six persons, which will account for the vast majority of households in the PMA.

INCOME TRENDS

Household Income Distribution

The following tables illustrate household income distribution of the general population in 2020 and 2025 and the annual rate of change for the PMA and MSA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry November 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,758	7.1%	2,521	6.4%	2,403	6.1%
\$10,000-19,999	3,526	9.1%	3,233	8.3%	3,086	7.9%
\$20,000-29,999	2,533	6.5%	2,374	6.1%	2,294	5.8%
\$30,000-39,999	2,372	6.1%	2,347	6.0%	2,335	5.9%
\$40,000-49,999	1,842	4.7%	1,732	4.4%	1,677	4.3%
\$50,000-59,999	1,982	5.1%	1,791	4.6%	1,696	4.3%
\$60,000-74,999	3,329	8.5%	2,938	7.5%	2,743	7.0%
\$75,000-99,999	4,390	11.3%	4,329	11.1%	4,299	11.0%
\$100,000-124,999	3,551	9.1%	3,544	9.1%	3,540	9.0%
\$125,000-149,999	2,851	7.3%	2,920	7.5%	2,954	7.5%
\$150,000-199,999	3,331	8.6%	3,684	9.4%	3,860	9.8%
\$200,000+	6,474	16.6%	7,739	19.8%	8,372	21.3%
Total	38,939	100.0%	39,152	100.0%	39,259	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, June 2021

HOUSEHOLD INCOME DISTRIBUTION - Santa Cruz-Watsonville, CA Metropolitan Statistical Area

Income Cohort	2020		Projected Mkt Entry November 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	4,959	5.2%	4,520	4.7%	4,301	4.4%
\$10,000-19,999	7,257	7.6%	6,566	6.8%	6,220	6.4%
\$20,000-29,999	5,642	5.9%	5,211	5.4%	4,996	5.2%
\$30,000-39,999	5,427	5.7%	5,221	5.4%	5,118	5.3%
\$40,000-49,999	5,136	5.3%	4,637	4.8%	4,388	4.5%
\$50,000-59,999	5,256	5.5%	4,800	5.0%	4,572	4.7%
\$60,000-74,999	8,044	8.4%	7,310	7.6%	6,943	7.2%
\$75,000-99,999	11,085	11.5%	10,768	11.2%	10,610	11.0%
\$100,000-124,999	9,288	9.7%	9,149	9.5%	9,080	9.4%
\$125,000-149,999	7,488	7.8%	7,661	7.9%	7,748	8.0%
\$150,000-199,999	8,878	9.2%	9,757	10.1%	10,197	10.5%
\$200,000+	17,573	18.3%	20,888	21.6%	22,546	23.3%
Total	96,033	100.0%	96,490	100.0%	96,719	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, June 2021

As demonstrated by the tables, in 2020 approximately 47.1 percent of households in the PMA earned less than \$75,000 annually, compared to 43.6 percent in the MSA.

Renter Household Income Distribution

The following tables illustrate the overall household income distribution and the household income distribution adjusted for tenure.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry November 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,272	11.3%	2,081	10.3%	1,986	9.9%
\$10,000-19,999	2,592	12.9%	2,391	11.9%	2,291	11.4%
\$20,000-29,999	1,737	8.6%	1,634	8.1%	1,582	7.9%
\$30,000-39,999	1,478	7.3%	1,459	7.3%	1,450	7.2%
\$40,000-49,999	1,216	6.0%	1,138	5.7%	1,099	5.5%
\$50,000-59,999	1,190	5.9%	1,097	5.5%	1,050	5.2%
\$60,000-74,999	1,984	9.8%	1,780	8.8%	1,678	8.4%
\$75,000-99,999	2,145	10.6%	2,163	10.8%	2,172	10.8%
\$100,000-124,999	1,680	8.3%	1,769	8.8%	1,813	9.0%
\$125,000-149,999	1,266	6.3%	1,425	7.1%	1,504	7.5%
\$150,000-199,999	1,344	6.7%	1,560	7.8%	1,668	8.3%
\$200,000+	1,253	6.2%	1,618	8.0%	1,800	9.0%
Total	20,157	100.0%	20,114	100.0%	20,093	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, June 2021

RENTER HOUSEHOLD INCOME DISTRIBUTION - Santa Cruz-Watsonville, CA Metropolitan Statistical Area

Income Cohort	2020		Projected Mkt Entry November 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,630	9.0%	3,303	8.2%	3,140	7.9%
\$10,000-19,999	4,804	11.9%	4,334	10.8%	4,099	10.3%
\$20,000-29,999	3,413	8.5%	3,112	7.8%	2,962	7.4%
\$30,000-39,999	3,142	7.8%	3,021	7.5%	2,961	7.4%
\$40,000-49,999	2,878	7.1%	2,631	6.6%	2,507	6.3%
\$50,000-59,999	2,726	6.8%	2,563	6.4%	2,482	6.2%
\$60,000-74,999	3,886	9.6%	3,604	9.0%	3,463	8.7%
\$75,000-99,999	4,687	11.6%	4,688	11.7%	4,688	11.7%
\$100,000-124,999	3,519	8.7%	3,626	9.0%	3,679	9.2%
\$125,000-149,999	2,407	6.0%	2,723	6.8%	2,881	7.2%
\$150,000-199,999	2,609	6.5%	3,079	7.7%	3,314	8.3%
\$200,000+	2,614	6.5%	3,397	8.5%	3,788	9.5%
Total	40,315	100.0%	40,081	100.0%	39,964	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, June 2021

The largest income cohort among renter households in the PMA is the \$10,000 to \$19,999 cohort, followed by the \$0 to \$9,999 cohort. As of 2020, approximately 61.8 percent of renter households earn less than \$75,000 annually in the PMA. Comparatively, 60.7 percent of renter households earned less than \$75,000 annually, in the MSA.

Renter Household Income Distribution by Household Size

The tables on the following pages illustrate renter household income distribution by household size within the PMA and MSA for 2020, projected market entry, and 2025.

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

PMA 2020					
Income Cohort	1	2	3	4	5+
\$0-9,999	1,263	378	469	139	23
\$10,000-19,999	1,531	434	473	68	86
\$20,000-29,999	832	389	193	124	199
\$30,000-39,999	482	263	353	146	234
\$40,000-49,999	312	405	249	94	156
\$50,000-59,999	504	322	124	146	94
\$60,000-74,999	675	565	278	330	136
\$75,000-99,999	563	884	262	204	232
\$100,000-124,999	362	633	296	178	211
\$125,000-149,999	263	335	227	320	121
\$150,000-199,999	315	544	96	261	128
\$200,000+	409	425	171	77	171
Total	7,511	5,577	3,191	2,087	1,791

PMA Projected Mkt Entry November 2023					
Income Cohort	1	2	3	4	5+
\$0-9,999	1,178	324	422	133	24
\$10,000-19,999	1,449	373	434	58	77
\$20,000-29,999	789	346	198	111	191
\$30,000-39,999	494	244	358	141	223
\$40,000-49,999	302	372	226	92	145
\$50,000-59,999	464	302	105	129	97
\$60,000-74,999	637	494	254	272	123
\$75,000-99,999	594	916	248	188	217
\$100,000-124,999	380	688	313	184	203
\$125,000-149,999	329	333	259	369	135
\$150,000-199,999	381	593	131	309	146
\$200,000+	562	496	241	111	208
Total	7,560	5,480	3,190	2,096	1,788

PMA 2025					
Income Cohort	1	2	3	4	5+
\$0-9,999	1,136	297	399	130	24
\$10,000-19,999	1,408	342	415	53	73
\$20,000-29,999	767	324	200	104	187
\$30,000-39,999	500	234	361	138	217
\$40,000-49,999	297	356	215	91	140
\$50,000-59,999	444	292	95	121	98
\$60,000-74,999	618	458	242	243	117
\$75,000-99,999	610	932	241	180	209
\$100,000-124,999	389	716	322	187	199
\$125,000-149,999	362	332	275	393	142
\$150,000-199,999	414	617	149	333	155
\$200,000+	639	531	276	128	226
Total	7,584	5,431	3,190	2,101	1,787

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, June 2021

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Santa Cruz-Watsonville, CA Metropolitan Statistical Area 2020					
Income Cohort	1	2	3	4	5+
\$0-9,999	1,934	688	619	278	111
\$10,000-19,999	2,668	889	694	222	331
\$20,000-29,999	1,400	697	498	353	465
\$30,000-39,999	880	563	586	430	683
\$40,000-49,999	654	772	473	390	589
\$50,000-59,999	837	644	427	290	528
\$60,000-74,999	1,137	968	583	654	544
\$75,000-99,999	1,157	1,549	544	688	749
\$100,000-124,999	679	1,092	710	348	690
\$125,000-149,999	451	744	360	395	457
\$150,000-199,999	520	924	421	341	403
\$200,000+	692	812	411	257	442
Total	13,009	10,342	6,326	4,646	5,992

SMA Projected Mkt Entry November 2023					
Income Cohort	1	2	3	4	5+
\$0-9,999	1,781	607	550	260	106
\$10,000-19,999	2,467	758	615	198	296
\$20,000-29,999	1,301	618	456	312	426
\$30,000-39,999	875	514	577	411	645
\$40,000-49,999	586	703	432	372	537
\$50,000-59,999	804	597	392	272	498
\$60,000-74,999	1,094	869	559	567	516
\$75,000-99,999	1,200	1,552	535	671	730
\$100,000-124,999	692	1,127	731	367	709
\$125,000-149,999	563	800	400	460	500
\$150,000-199,999	661	1,035	504	410	469
\$200,000+	967	975	543	357	555
Total	12,990	10,154	6,295	4,657	5,986

Santa Cruz-Watsonville, CA Metropolitan Statistical Area 2025					
Income Cohort	1	2	3	4	5+
\$0-9,999	1,704	566	515	251	104
\$10,000-19,999	2,366	693	576	186	278
\$20,000-29,999	1,251	579	435	291	406
\$30,000-39,999	872	489	573	401	626
\$40,000-49,999	552	669	412	363	511
\$50,000-59,999	787	574	375	263	483
\$60,000-74,999	1,072	819	547	523	502
\$75,000-99,999	1,221	1,553	531	663	720
\$100,000-124,999	699	1,144	741	376	719
\$125,000-149,999	619	828	420	493	521
\$150,000-199,999	732	1,090	545	445	502
\$200,000+	1,105	1,056	609	407	611
Total	12,980	10,060	6,279	4,662	5,983

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, June 2021

Conclusion

Population within the PMA increased 0.4 percent annually from 2010 to 2020, and is projected to continue increasing through 2025. Additionally, the number of households in the PMA increased by 0.2 percent between 2010 and 2020, and are projected to continue increasing at this rate through 2025. As of 2020, approximately 61.8 percent of renter households earn less than \$75,000 annually in the PMA. Overall, the increasing population and household trends bode well for the Subject.

DEMAND ESTIMATE

DEMAND ESTIMATE

Our estimate of demand will be based on current households and the projected household growth. We will assume that lower income households will pay up to 40 percent of household income for their gross rent. Demand will be calculated for each proposed rent level and each bedroom size. Income qualified households will not be double counted.

The results provide an indication of the total number of households that are age and income qualified and currently renters. This analysis includes several assumptions that are necessary because more detailed demographic data is not available. These assumptions include: (1) an even distribution of the number of households within each census income range; (2) an even distribution of the number of households across the household size spectrum; and (3) that the number of persons per unit will be distributed as illustrated on the bedroom *Demand Analysis*.

DEMAND FROM EXISTING HOUSEHOLDS

We estimated demand from existing households for each bedroom size and each AMI level for the Subject development. In order to avoid double counting of income-qualified households, we also estimated demand by combining the households at each AMI level to eliminate overlapping income cohorts. A description of the steps involved in the estimate of demand is detailed below.

Number of Existing Households for the Current Year

As noted in the *Population and Household Trends* section of this report, the total number of households in the primary market area is 38,939 in 2020. This is a beginning point for analysis.

Number of Renters

Information provided to us by ESRI and Ribbon Demographics indicates that in 2020, of the 38,939 housing units, 20,157 were renter households and 18,782 were owner-occupied households. Renter households therefore make up 51.8 percent of the occupied housing units. We will multiply this percentage by the total households noted above.

Number of Income Qualified Renter Households

The Subject represents 64 affordable LIHTC units. LIHTC maximum rent and income limits are based on the area median gross income (AMI), adjusted for household size, for the Subject location. HUD estimates the relevant income levels, with annual updates. The rents are calculated by HUD assuming that the gross rent a household pays is 30 percent of its household income at the relevant AMI level. HUD assumes household size to be 1.5 persons per bedroom for LIHTC rent calculation purposes.

If the tenant pays utilities in addition to the rent, the rent is reduced by a utility allowance, which is generally estimated by the local Housing Authority. In this case, according to the client, the Subject will have a project-specific utility allowance schedule. The comparable properties have been adjusted based on the Housing Authority of the County of Santa Cruz's Utility Allowance Schedule, effective January 1, 2021.

By multiplying the total number of renter households by the percentage of income eligible households, we can estimate the number of income eligible renter households in the local market area. This analysis assumes an even distribution of the number of households within each census income range, since more detailed data is not available.

Setting the Minimum and Maximum Eligible Income Ranges

The calculations to establish the number of income eligible potential tenants for the Subject are as follows:

First, we estimate the Subject minimum and maximum income levels for the proposed affordable units. HUD determines maximum income guidelines for tax credit properties based on the area median income. Minimum income levels were calculated based on the assumption that lower income individuals should pay no more than 40 percent of their income to gross rent. Often, lower income individuals pay a higher percentage of income to rent due to their income level. Although higher income households generally spend a smaller portion of their income on rent, the area is not dominated by high incomes.

Secondly, we illustrate the household population segregated by income band to determine those who are income qualified to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis to determine the number of potential income qualified households. In some cases, the LIHTC income eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households and the percentage of households that are income eligible.

The developer has proposed affordable rents at the development to be set at the 30, 50, and 60 percent AMI levels, calculated in accordance with HUD and LIHTC guidelines. HUD establishes the maximum income level for the Subject based on household size. For demand calculation purposes, we will assume 2.0 persons per bedroom when establishing maximum income eligibility. The regulations promulgated by TCAC indicate that the minimum income level scenario should assume that a household is not paying more than 40 percent of its income on housing, using the developer’s lowest priced unit’s proposed rent.

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$23,430	\$33,360	\$39,090	\$55,600	\$46,890	\$66,720
2BR	\$28,140	\$41,700	\$46,890	\$69,500	\$56,280	\$83,400
3BR	\$32,520	\$48,390	\$51,630	\$80,650	\$65,070	\$96,780

The number of eligible households by income cohort is illustrated in the following table. As previously stated, this assumes an even distribution of persons within each Census income range.

FAMILY INCOME DISTRIBUTION 2020

Income Cohort	Total Renter Households	@30%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	2,272												
\$10,000-19,999	2,592												
\$20,000-29,999	1,737	7,618	76.2%	1,323							7,618	76.2%	1,323
\$30,000-39,999	1,478	9,999	100.0%	1,478	2,738	27.4%	405				9,999	100.0%	1,478
\$40,000-49,999	1,216	8,391	83.9%	1,020	9,999	100.0%	1,216	5,268	52.7%	641	9,999	100.0%	1,216
\$50,000-59,999	1,190				9,999	100.0%	1,190	9,999	100.0%	1,190	9,999	100.0%	1,190
\$60,000-74,999	1,984				14,999	100.0%	1,984	14,999	100.0%	1,984	14,999	100.0%	1,984
\$75,000-99,999	2,145				5,651	22.6%	485	21,781	87.1%	1,869	21,781	87.1%	1,869
\$100,000-124,999	1,680												
\$125,000-149,999	1,266												
\$150,000-199,999	1,344												
\$200,000+	1,253												
Total	20,157		19.0%	3,822		26.2%	5,280		28.2%	5,684		44.9%	9,060

Based on this analysis, using 2020 income and demographic data, approximately 19.0, 26.2, and 28.2 percent of renter households will income qualify to reside in the Subject’s 30, 50, and 60 percent AMI units, respectively, as proposed. Overall, 44.9 percent of renter households will income qualify to reside at the Subject. We will apply the percentages to the year 2020 calculations of the number of renter households that are income eligible at each AMI level.

Turnover Rate

There are numerous sources of information regarding turnover rate, or the percent of persons who move in a year. The most reliable source is that of the market participants in the Subject’s market area. We interviewed comparable properties on the turnover rate experienced on an annual basis. The reported turnover at the LIHTC comparables ranged from one to 50 percent, with an average of 25 percent. Additionally, according to Esri Demographics 2020, approximately 53.2 percent of renter households pay more than 35 percent of income to rent within the Subject’s PMA, and are therefore considered rent overburdened. As a result, we utilize a 25 percent turnover rate for the area. This rate takes into consideration both sources of potential turnover for the Subject.

Number of Appropriate Sized Households

In order to determine the number of appropriate sized households at each bedroom type, first we analyzed the number of persons in each household by renter tenure, as detailed on the following table.

RENTER HOUSEHOLDS BY PERSONS IN HOUSEHOLD		
Household Size	2020	
	Number	Percentage
With 1 Person	7,511	37.3%
With 2 Persons	5,577	27.7%
With 3 Persons	3,191	15.8%
With 4 Persons	2,087	10.4%
With 5+ Persons	1,791	8.9%
Total Renter Households	20,157	100.0%

Second, we made assumptions based on the average household size in the market; to estimate the distribution of households by unit type. Following are these assumptions.

HOUSEHOLD DISTRIBUTION		
1 BR	100%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	80%	Of two-person households in 2BR units
	100%	Of three-person households in 2BR units
3 BR	20%	Of four-person households in 2BR units
	80%	Of four-person households in 3BR units
	100%	Of five-person households in 3BR units

Third, we multiplied the percentage of renter households at each household size by the distribution of those households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

Appropriate Sized Renter Households						
One-Bedroom Unit		37.3%	*	100.0%	=	37.3%
	+	27.7%	*	20.0%	=	5.5%
	+	15.8%	*	0.0%	=	0.0%
	+	10.4%	*	0.0%	=	0.0%
	+	8.9%	*	0.0%	=	0.0%
	=					
Two-Bedroom Unit		37.3%	*	0.0%	=	0.0%
	+	27.7%	*	80.0%	=	22.1%
	+	15.8%	*	100.0%	=	15.8%
	+	10.4%	*	20.0%	=	2.1%
	+	8.9%	*	0.0%	=	0.0%
	=					
Three-Bedroom Unit		37.3%	*	0.0%	=	0.0%
	+	27.7%	*	0.0%	=	0.0%
	+	15.8%	*	0.0%	=	0.0%
	+	10.4%	*	80.0%	=	8.3%
	+	8.9%	*	100.0%	=	8.9%
	=					
Total						100.0%

ANNUAL DEMAND FROM NEW HOUSEHOLDS

New Renter Households at Market Entry

According to ESRI - 2020 Estimates and Projections, the number of renter households in the PMA will decrease from 20,157 to 20,114 between 2020 and the date of market entry, which is a decrease of 43 households.

Estimate the Annual Renter Household Growth

According to ESRI - 2020 Estimates and Projections, the number of renter households in the PMA will decrease from 20,157 to 20,093 households between 2020 and 2025, averaging a loss of 13 renter households annually.

Number of Income – Qualified Renter Households

We have already estimated this in the prior section to be approximately 19.0, 26.2, and 28.2 percent of renter households will income-qualify at the 30, 50, and 60 percent AMI levels as proposed. Overall, 44.9 percent of renter households will income-qualify to reside at the Subject as proposed. We will apply the percentages to the year 2020 calculations of the number of renter households that are income eligible at each AMI level.

Number of Appropriate Sized Households

We have already estimated this in the prior section; we will apply these same percentages here.

TOTAL DEMAND FROM EXISTING AND NEW RENTER HOUSEHOLDS

The steps have been detailed and all inputs have been determined in order to calculate the annual demand from existing rental households at each AMI level and bedroom type. Our calculations and conclusions are as follows:

30 Percent AMI Level

Demand for Units at 30% AMI Level					
Number of Existing Households for the Current Year					38,939
Number of Existing Renter Households for the Current Year					20,157
Number of Income Qualified Renter Households	20,157	*	19.0%	=	3,822
Movership or Turnover Rate	3,822	*	25.0%	=	955
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	955	*	42.8%		409
Two-Bedroom Unit	955	*	40.0%		383
Three-Bedroom Unit	955	*	17.2%		164
Estimated Annual Demand from Existing Rental Households					
One-Bedroom Unit					409
Two-Bedroom Unit					383
Three-Bedroom Unit					164
TOTAL					955
Number of new, additional Renter Households by	<u>Mkt Entry</u>		<u>2020</u>		
November 2023	20,114	-	20,157	=	-43
Annual Renter Household Growth	-43	/	3.3	=	-13
Number of Income Qualified Renter Households	-13	*	19.0%	=	-2
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	-2	*	42.8%	=	-1
Two-Bedroom Unit	-2	*	40.0%	=	-1
Three-Bedroom Unit	-2	*	17.2%	=	0
Estimated Annual Demand from New Rental Households					
One-Bedroom Unit					-1
Two-Bedroom Unit					-1
Three-Bedroom Unit					0
TOTAL					-2
Total Demand from Existing and New Households					
	Existing	+	New	=	Total
One-Bedroom Unit	409	+	-1	=	408
Two-Bedroom Unit	383	+	-1	=	382
Three-Bedroom Unit	164	+	0	=	164
TOTAL					953
Capture Rate - 30% AMI Level					
	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	12	/	408	=	2.9%
Two-Bedroom Unit	4	/	382	=	1.0%
Three-Bedroom Unit	4	/	164	=	2.4%
OVERALL	20	/	953	=	2.1%

50 Percent AMI Level

Demand for Units at 50% AMI Level					
Number of Existing Households for the Current Year					38,939
Number of Existing Renter Households for the Current Year					20,157
Number of Income Qualified Renter Households	20,157	*	26.2%	=	5,280
Movership or Turnover Rate	5,280	*	25.0%	=	1,320

Number of Appropriate Sized Renter Households					
One-Bedroom Unit	1,320	*	42.8%	=	565
Two-Bedroom Unit	1,320	*	40.0%	=	528
Three-Bedroom Unit	1,320	*	17.2%	=	227

Estimated Annual Demand from Existing Rental Households	
One-Bedroom Unit	565
Two-Bedroom Unit	528
Three-Bedroom Unit	227
TOTAL	1,320

Number of new, additional Renter Households by	<u>Mkt Entry</u>		<u>2020</u>		
November 2023	20,114	-	20,157	=	-43
Annual Renter Household Growth	-43	/	3.3	=	-13
Number of Income Qualified Renter Households	-13	*	26.2%	=	-3

Number of Appropriate Sized Renter Households					
One-Bedroom Unit	-3	*	42.8%	=	-1
Two-Bedroom Unit	-3	*	40.0%	=	-1
Three-Bedroom Unit	-3	*	17.2%	=	-1

Estimated Annual Demand from New Rental Households	
One-Bedroom Unit	-1
Two-Bedroom Unit	-1
Three-Bedroom Unit	-1
TOTAL	-3

Total Demand from Existing and New Households	Existing	+	New	=	Total
One-Bedroom Unit	565	+	-1	=	563
Two-Bedroom Unit	528	+	-1	=	527
Three-Bedroom Unit	227	+	-1	=	226
TOTAL					1,317

Capture Rate - 50% AMI Level	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	7	/	563	=	1.2%
Two-Bedroom Unit	3	/	527	=	0.6%
Three-Bedroom Unit	5	/	226	=	2.2%
OVERALL	15	/	1,317	=	1.1%

60 Percent AMI Level

Demand for Units at 60% AMI Level					
Number of Existing Households for the Current Year					38,939
Number of Existing Renter Households for the Current Year					20,157
Number of Income Qualified Renter Households	20,157	*	28.2%	=	5,684
Movership or Turnover Rate	5,684	*	25.0%	=	1,421
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	1,421	*	42.8%		608
Two-Bedroom Unit	1,421	*	40.0%		569
Three-Bedroom Unit	1,421	*	17.2%		244
Estimated Annual Demand from Existing Rental Households					
One-Bedroom Unit					608
Two-Bedroom Unit					569
Three-Bedroom Unit					244
TOTAL					1,421
Number of new, additional Renter Households by	<u>Mkt Entry</u>		<u>2020</u>		
November 2023	20,114	-	20,157	=	-43
Annual Renter Household Growth	-43	/	3.3	=	-13
Number of Income Qualified Renter Households	-13	*	28.2%	=	-4
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	-4	*	42.8%	=	-2
Two-Bedroom Unit	-4	*	40.0%	=	-1
Three-Bedroom Unit	-4	*	17.2%	=	-1
Estimated Annual Demand from New Rental Households					
One-Bedroom Unit					-2
Two-Bedroom Unit					-1
Three-Bedroom Unit					-1
TOTAL					-4
Total Demand from Existing and New Households					
	Existing	+	New	=	Total
One-Bedroom Unit	608	+	-2	=	607
Two-Bedroom Unit	569	+	-1	=	567
Three-Bedroom Unit	244	+	-1	=	243
TOTAL					1,417
Capture Rate - 60% AMI Level					
	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	13	/	607	=	2.1%
Two-Bedroom Unit	6	/	567	=	1.1%
Three-Bedroom Unit	10	/	243	=	4.1%
OVERALL	42	/	1,417	=	3.0%

Overall Demand

Demand for Units at All AMI Level					
Number of Existing Households for the Current Year					38,939
Number of Existing Renter Households for the Current Year					20,157
Number of Income Qualified Renter Households	20,157	*	44.9%	=	9,060
Movership or Turnover Rate	9,060	*	25.0%	=	2,265
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	2,265	*	42.8%		969
Two-Bedroom Unit	2,265	*	35.3%		799
Three-Bedroom Unit	2,265	*	21.9%		496
Estimated Annual Demand from Existing Rental Households					
One-Bedroom Unit					969
Two-Bedroom Unit					799
Three-Bedroom Unit					496
TOTAL					2,265
Number of new, additional Renter Households by	<u>Mkt Entry</u>		<u>2020</u>		
November 2023	20,114	-	20,157	=	-43
Annual Renter Household Growth	-43	/	3.3	=	-13
Number of Income Qualified Renter Households	-13	*	44.9%	=	-6
Number of Appropriate Sized Renter Households					
One-Bedroom Unit	-6	*	42.8%	=	-2
Two-Bedroom Unit	-6	*	35.3%	=	-2
Three-Bedroom Unit	-6	*	21.9%	=	-1
Estimated Annual Demand from New Rental Households					
One-Bedroom Unit					-2
Two-Bedroom Unit					-2
Three-Bedroom Unit					-1
TOTAL					-6
Total Demand from Existing and New Households					
	Existing	+	New	=	Total
One-Bedroom Unit	969	+	-2	=	967
Two-Bedroom Unit	799	+	-2	=	797
Three-Bedroom Unit	496	+	-1	=	495
TOTAL					2,259
Capture Rate - All AMI Level					
	Developer's Unit Mix	/	Total Demand	=	Total
One-Bedroom Unit	32	/	967	=	3.3%
Two-Bedroom Unit	13	/	797	=	1.6%
Three-Bedroom Unit	19	/	495	=	3.8%
OVERALL	64	/	2,259	=	2.8%

This calculation derives an estimate of capture required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate calculates the number of one, two, and three-bedroom units that are needed in the market to satisfy the number of renter households' living in these unit sizes. In this case it represents 2,259 units. The capture rate is the percentage that the Subject will capture of this demand. A number below 100 percent is a positive indicator and represents an expected absorption rate of less than one year. A number greater than 100 percent indicates an absorption pace longer than one year. The above calculation generates an overall capture rate of 2.8 percent, which indicate expected absorption rates of less than one year. More importantly, it indicates a level of unmet demand will still exist.

PENETRATION RATE ANALYSIS

We also performed a penetration rate analysis. As indicated in the following table, there are numerous affordable properties in the Subject's PMA. The units that will compete for occupancy with the Subject have been included in our analysis.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Year Built/ Allocated	Program	Tenancy	# of Total Units	# of Competitive Units
Riverwalk Apartments*	2013	LIHTC/HOME	Family	21	20
El Centro	1991	LIHTC/PBV	Senior	44	0
La Playa	1991	LIHTC	Senior	8	0
Sycamore Street Commons	1995	LIHTC/PBV	Family	60	59
Nueva Vista Apartments*	2002	LIHTC	Family	47	47
Pacific Shores Apartments	2002	LIHTC/Market	Family	206	77
Mission Gardens	2008	LIHTC / Section 8	Mixed	50	0
Tannery Artist Lofts	2007	LIHTC	Artists	100	0
Neary Lagoon*	2012	LIHTC	Family	95	94
Garfield Park Village	2014	LIHTC	Senior	95	0
East Cliff Village Apartments	1986/2014	LIHTC / Section 8	Senior	76	0
St. Stephens Senior Housing	2015	LIHTC/PBV	Senior	40	0
Arbor Cove	1992	Section 8	Senior/Disabled	35	0
Casa Linda	1995	Public Housing	Senior/Disabled	21	0
Elizabeth Oaks Apts.	1983	Section 8	Senior/Disabled	126	0
La Posada	1980	Section 8/Market	Senior	150	0
San Lorenzo Park Apts	1977	Section 8	Family	78	0
Seaside Apartments	1984	Section 8	Family	84	0
Stepping Out Housing	1985	Section 8	Senior/Disabled	18	0
The Dakota Apartments	1985	Section 8	Senior/Disabled	25	0
Monarch Housing Project	N/Av	Section 8	Senior/Disabled	18	0
Grace Commons	2007	PBV	Special Needs	15	0
Gault Street Senior Housing	2006	PBV	Senior	37	0
Water Street Apartments	2019	LIHTC	Family/Disabled	41	32
Total				1,490	329

*Utilized as a comparable

New Supply

We attempted to contact the Santa Cruz Planning and Community Development Department regarding planned, proposed, or under construction multifamily developments in Santa Cruz. However, as of the date of this report, our calls and emails have not been returned. As such, we searched the City website for further information.

We attempted to contact the City of Capitola Community Development Department regarding planned, proposed, or under construction multifamily developments. However, as of the date of this report, our calls have not been returned.

We searched CoStar for any additional planned, proposed, or under construction multifamily developments in the PMA. According to CoStar, there are several additional developments.

The following table summarizes our findings on recent multifamily developments in the PMA.

RECENT MULTIFAMILY DEVELOPMENTS IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status
Golf Club Drive	Market	Disability	10	0	Completed
11547 Pacific Avenue	Market	Family	79	0	Completed
Water Street Apartments	LIHTC	Family/Disabled	41	32	Completed
The Breakers (Phase II)*	Market	Family	20	0	Completed
Live Oak Crossing	Market	Family	13	0	Completed
230 Grandview Street	Market	Family	12	0	Under Construction
Pacific Front Development	Market	Family	205	0	Approved
119 Coral Street	Supportive Housing	Special Needs	120	0	Approved
Upper Crust Apartments	Market	Family	14	0	Approved
River Street Townhomes	Market	Family	12	0	Approved
Pacific Station Redevelopment	PLHA Funding	Family	85	85	Proposed
831 Water Street	LIHTC/PBV	Family	71	71	Proposed
1800-1818 Soquel Ave	Market	Family	32	0	Proposed
2606 Paul Minnie Ave	Market	Family	15	0	Proposed
350 Ocean St	LIHTC	Family	63	63	Proposed
530 Front St	Market	Family	170	0	Proposed
MidPen Housing	Workforce	Family	56	0	Proposed
Pacific Ave	Market	Family	205	0	Proposed
Pleasure Point Plaza	Market/Affordable	Family	33	33	Proposed
Totals			1,256	284	

Source: CoStar, June 2021

*Utilized as a comparable

As illustrated, there are 284 proposed, under construction, or recently completed multifamily developments that will be competitive with the Subject. Of these, 32 units have already been absorbed, while the remaining 252 units have not. As such, these 252 units are accounted for in our penetration rate analysis.

LIHTC Competition / Recent and Proposed Construction

We reviewed TCAC, CDLAC, and HUD development lists for projects funded since 2018 as being best representative of current and planned affordable housing conditions. Per these lists, there has only been one project awarded funding in the Subject’s PMA since 2018, which is detailed following.

- Casa Del Rio & Santa Cruz Riverfront was awarded LIHTC funding in 2020 for the combined acquisition and rehabilitation of two existing multifamily developments (one of which is market rate, and one of which is Section 8) with a combined total of 103 one, two, and three-bedroom units. Upon renovation, 102 units will be restricted to households earning 50 and 60 percent of the AMI or below, 70 of which will be subsidized, and the remaining unit will be a non-rental manager’s unit. Of the 102 revenue-generating units, 25 will target seniors 62 years and older, six will target persons with disabilities, and 71 will target the general population. Renovations are expected to be completed in early 2021. Overall, only 71 units will be targeted to the general population and will, hence, be competitive with the Subject. As such, these 71 units have been accounted for in our penetration rate analysis.

Further, to our knowledge, no other applications for developments within the PMA were submitted in 2020.

The following tables summarize the penetration analyses conducted for the Subject’s units.

PENETRATION RATE	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	323
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	329
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	64
	=
Total	716
	/
Income Eligible Households - All AMI Levels	9,060
	=
Overall Penetration Rate	7.9%

The overall market penetration rate is derived by taking the number of affordable units proposed or under construction within the PMA (if applicable), combined with the number of existing affordable units, and the number of the Subject’s units divided by the number of income eligible households. The overall penetration rate for the market is 7.9 percent, which is considered good.

Special Population Analysis – Homeless

Of the 65 total units at the Subject, 16 units will be restricted as Permanent Supportive Housing (PSH) and will target chronically homeless individuals. Additionally, these units will operate with Project-based Vouchers (PBV) assistance provided by the County of Santa Cruz Housing Authority. There is limited permanent supportive housing that targets this special needs population.

In addition to the Demand Analysis for the general population, we have also estimated the demand from the special needs population. The special needs units will serve a limited sector of the population, one in which there is little empirical data available for analysis.

Santa Cruz County performs a Point-in-Time Count of homelessness every two years. According to the January 2019 PIT Count, the most recent report available, there are 2,167 total homeless individuals in Santa Cruz County, and 1,197 homeless individuals in the city of Santa Cruz. Estimates by households were not available; therefore, we have divided the total homeless individuals by the average household size in the PMA. Utilizing

the 1,197 total homeless individuals and dividing by the average household size in the PMA of 2.37, we estimate that there are 505 homeless households that might be eligible to reside at the Subject, as detailed below.

Homeless Population 2019	Santa Cruz, CA
Santa Cruz - Estimated Unsheltered Individuals	1,197
	/
Average Household Size - PMA	2.37
	=
Eligible Homeless Households	505
	*
Estimated Income Percent Eligible	100%
Equals Income Eligible Homeless Households	505
	/
Subject's Proposed Homeless Units	16
	/
Divided by Potential Homeless Households	505
Homeless Capture Rate	3.2%

As illustrated in the data above, there is demand for housing options that target tenants who are homeless. Strictly based on the estimated homeless population in Santa Cruz, the Subject has a low capture rate of 3.2 percent. We believe that this indicates that there is more than ample demand among the homeless, and those at risk of becoming homeless. This capture rate is excellent when considering that the homeless count is based on a point-in-time survey, and the actual homeless population is likely larger.

Conclusion

Demand calculations derive an estimate of annual capture rate required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate remaining is the number of units that will be unsatisfied in the market without construction of the Subject. These un-accommodated units of demand will be forced to leave the market without construction of additional units.

DEMAND CONCLUSION

Calculation	
@30%	2.1%
@50%	1.1%
@60%	3.0%
All Units	2.8%
Penetration Rate	7.9%

As illustrated in the previous table, the Subject’s capture rates at the 30, 50, and 60 percent AMI levels are low. Further, the overall capture rate for all units is low, indicated sufficient demand for the Subject’s units. Finally, the penetration rate is low.

There are multiple developments under construction or planned to enter the market prior to the Subject’s estimated market entry date. However, given the strong demand illustrated above, we do not anticipate that any proposed properties will hinder the Subject’s ability to maintain stabilized occupancy. Affordable and market rate rental housing of all types is in strong demand within this market.

ABSORPTION RATE

ABSORPTION RATE

The *Demand Estimate* indicates that there are sufficient income eligible households in the Subject’s PMA. The high cost of market rate multifamily rental units, the excellent occupancy rates, and low incidence of concessions in the market indicates strong demand for affordable housing. This is further confirmed from interviews with affordable housing developers and property managers reporting exceptionally strong demand for affordable housing within the Santa Cruz County area. According to our rent survey and our analysis of the low-income housing demand, demand for housing of all types is strong. As an affordable housing development with the advantage of below market rate rents, absorption is expected to be rapid.

We were unable to obtain any recent absorption information from any of the comparables; thus, we have researched absorption data throughout Santa Cruz and Monterey Counties. We were able to identify one LIHTC development in the region that opened within the last five years, which is detailed in the table below.

ABSORPTION

Property Name	City	Rent Structure	Tenancy	Year	Total Units	Absorption (units/month)
Terracina Oaks II	Greenfield	LIHTC	Family	2016	48	48

Given the above data, we believe the Subject would reach a stabilized occupancy of 95 percent within two months of completion. This equates to an absorption pace of approximately 45 units per month. This assumes the Subject property is properly marketed and pre-leasing begins approximately three months prior to completion of construction.

COMPETITIVE RENTAL MARKET

COMPETITIVE RENTAL MARKET

We performed a competitive rental analysis of the local market. We surveyed both market rate and affordable housing rental properties. The Subject will consist of 64 affordable one, two, and three-bedroom units. We performed an extensive search for comparable properties within the PMA. According to TCAC guidelines, market rate properties situated within one mile of the Subject are the best comparables due to similarities in the local market conditions.

To evaluate the competitive position of the Subject, we surveyed a total of 945 units in 11 rental properties. We performed an extensive search for comparable properties within a one-mile radius. The Subject is located in the central portion of Santa Cruz, within close proximity to various multifamily properties. The LIHTC data is considered good. We included three affordable developments located between 0.5 and 0.7 miles from the Subject site, all of which are located within the PMA. It should be noted that there are two additional family-targeted LIHTC properties (La Playa and Sycamore Street Commons) located within 0.6 miles of the Subject, which we attempted to survey. However, as of the date of this report, our calls and emails have not been returned; therefore, these properties have been excluded from the analysis. The market rate data is also considered good. We included eight market rate properties located between 0.1 and 2.6 miles from the Subject site, all of which are located within the PMA, and six of which are located within 1.0 mile of the Subject. Due to the lack of market rate comparables offering three-bedroom units in the immediate area, we expanded our search to other parts of Santa Cruz. As such, two of the three-bedroom comparables are located between 2.3 and 2.6 miles from the Subject. Overall, we believe the availability of data is more than adequate to support our conclusions.

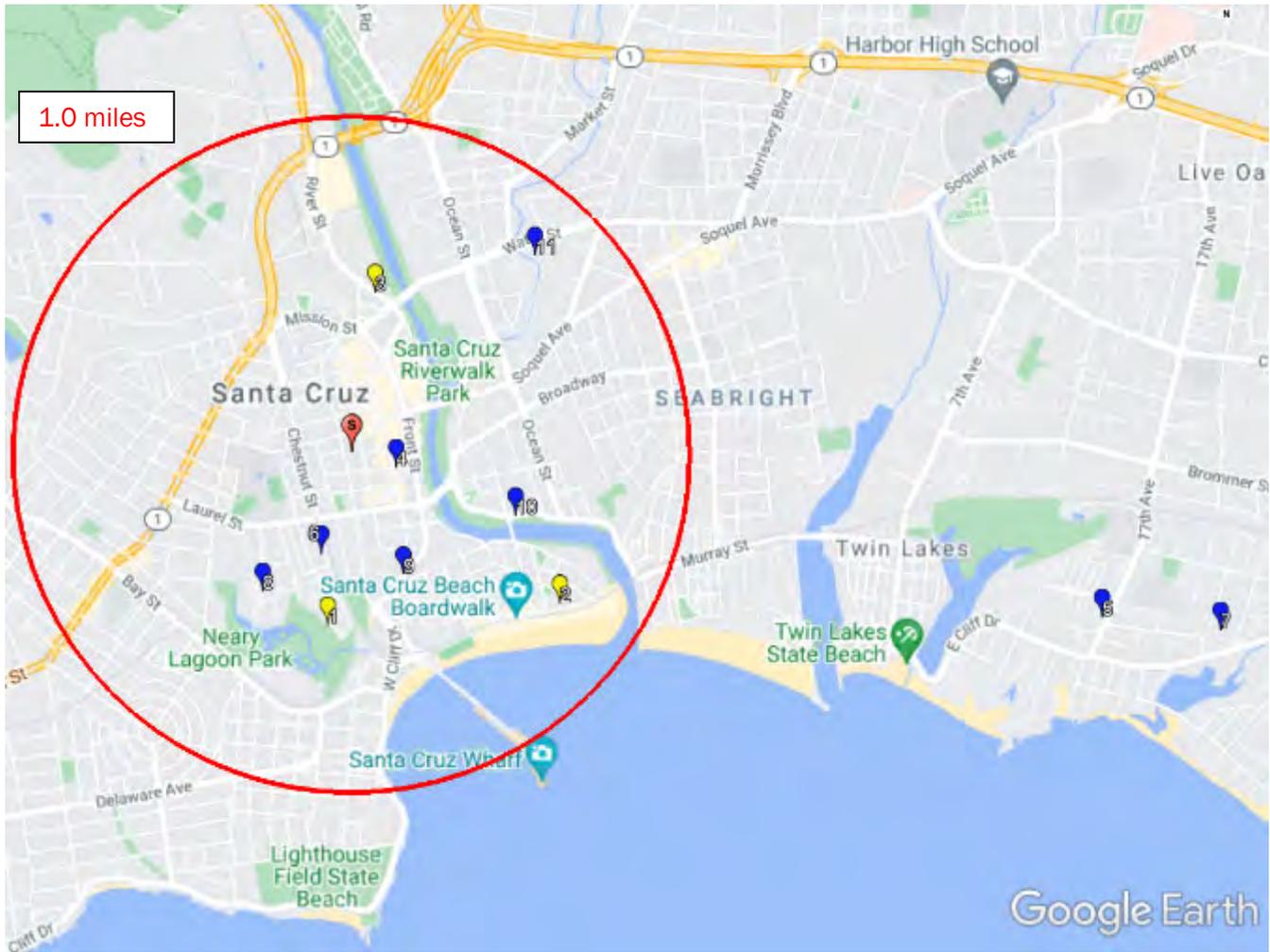
In order to find properties comparable to the Subject we physically drove the market area to find comparable developments as well as utilized several other outlets. These included a review of area listings of apartments closest to the Subject, the review of apartment websites such as www.rent.com, www.apartments.com, www.padmapper.com, www.hotpads.com, www.craigslist.org, and newspaper outlets. Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

This report has been prepared for submission to TCAC and CDLAC. As such, comparable selection was primarily based upon the requirements promulgated in the 2021 guidelines, i.e. market rate comparables within one mile.

Unit sizes are reported on a net basis for comparable properties, which is the typical basis reported within the apartment industry. Additionally, unit size may not be reflective of the appeal of the unit; an example being two apartments with differing floor plans wherein the smaller size unit may appear to be larger to the observer due to floor plan layout and lighting. In some cases, where multiple floor plans were available for identical unit sizes, an average unit size and rent was applied.

Provided on the following pages is a map of the comparable market rate and LIHTC properties used in the rental analysis, in relation to the Subject, as well as individual comparable property profiles for both the market rate and LIHTC developments used in our analysis.

Comparable Properties Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Neary Lagoon	Santa Cruz	LIHTC	Family	0.5 miles
2	Nueva Vista Apartments	Santa Cruz	LIHTC	Family	0.7 miles
3	Riverwalk Apartments	Santa Cruz	LIHTC	Family	0.5 miles
4	1010 Pacific Apartments	Santa Cruz	Market	Family	0.1 miles
5	Breakwater Apartments	Santa Cruz	Market	Family	2.3 miles
6	Chestnut Street Apartments	Santa Cruz	Market	Family	0.3 miles
7	Corcoran Garden Apartments	Santa Cruz	Market	Family	2.6 miles
8	Cypress Point Apartments	Santa Cruz	Market	Family	0.5 miles
9	Five55 Pacific	Santa Cruz	Market	Family	0.4 miles
10	San Lorenzo Court	Santa Cruz	Market	Family	0.5 miles
11	The Breakers	Santa Cruz	Market	Family	0.8 miles

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate					
Subject	Cedar Street Family Apartments 532 Center Street Santa Cruz, CA 95060 Santa Cruz County		Lowrise 3-stories 2023 / n/a Family	@30%, @30% (Section 8), @50%, @60%	1BR / 1BA	12	18.5%	600	@30% (Section 8)	\$741	Yes	N/A	N/A	N/A					
					1BR / 1BA	7	10.8%	600	@50%	\$1,263	Yes	N/A	N/A	N/A					
					1BR / 1BA	13	20.0%	600	@60%	\$1,523	Yes	N/A	N/A	N/A					
					1BR / 1BA	1	1.5%	600	Non-Rental	-	N/A	N/A	N/A	N/A					
					2BR / 1BA	4	6.2%	835	@30% (Section 8)	\$887	Yes	N/A	N/A	N/A					
					2BR / 1BA	3	4.6%	835	@50%	\$1,512	Yes	N/A	N/A	N/A					
					2BR / 1BA	6	9.2%	835	@60%	\$1,825	Yes	N/A	N/A	N/A					
					3BR / 2BA	4	6.2%	1,000	@30%	\$1,030	Yes	N/A	N/A	N/A					
					3BR / 2BA	5	7.7%	1,000	@50%	\$1,753	Yes	N/A	N/A	N/A					
					3BR / 2BA	10	15.4%	1,000	@60%	\$2,115	Yes	N/A	N/A	N/A					
					65														
1	Neary Lagoon 81 Chestnut Street Santa Cruz, CA 95060 Santa Cruz County	0.5 miles	Garden 2-stories 1993 / 2013 Family	@50%, @60%	1BR / 1BA	16	16.8%	600	@50%	\$1,241	Yes	Yes	0	0.0%					
					1BR / 1BA	7	7.4%	600	@60%	\$1,638	Yes	Yes	0	0.0%					
					2BR / 1BA	21	22.1%	840	@50%	\$1,490	No	Yes	0	0.0%					
					2BR / 1BA	10	10.5%	840	@60%	\$1,968	Yes	Yes	0	0.0%					
					3BR / 2BA	27	28.4%	1,180	@50%	\$1,721	Yes	Yes	0	0.0%					
					3BR / 2BA	13	13.7%	1,180	@60%	\$2,265	Yes	Yes	0	0.0%					
					3BR / 2BA	1	1.1%	1,180	Non-Rental	-	N/A	No	0	0.0%					
										95									
2	Nueva Vista Apartments 133 Leibrandt Avenue Santa Cruz, CA 95060 Santa Cruz County	0.7 miles	Garden 3-stories 2003 / n/a Family	@30%, @40%, @50%, @60%	1BR / 1BA	1	2.1%	650	@60%	\$1,225	No	Yes	0	0.0%					
					2BR / 1BA	8	17.0%	850	@30%	\$760	No	Yes	0	0.0%					
					2BR / 1BA	3	6.4%	850	@40%	\$994	No	Yes	0	0.0%					
					2BR / 1BA	4	8.5%	850	@50%	\$1,227	No	Yes	0	0.0%					
					2BR / 1BA	2	4.3%	850	@60%	\$1,461	No	Yes	0	0.0%					
					3BR / 2BA	7	14.9%	925	@30%	\$866	No	Yes	0	0.0%					
					3BR / 2BA	1	2.1%	925	@40%	\$1,136	No	Yes	0	0.0%					
					3BR / 2BA	8	17.0%	925	@50%	\$1,406	No	Yes	0	0.0%					
					3BR / 2BA	5	10.6%	925	@60%	\$1,676	No	Yes	0	0.0%					
					4BR / 2BA	7	14.9%	1,100	@50%	\$1,630	No	Yes	0	0.0%					
4BR / 2BA	1	2.1%	1,100	@60%	\$1,850	No	Yes	0	0.0%										
					47														
3	Riverwalk Apartments 110 Lindberg St Santa Cruz, CA 95060 Santa Cruz County	0.5 miles	Garden 3-stories 2015 / n/a Family	@30%, @45%, @50%, @60%	1BR / 1BA	1	4.8%	631	@30%	\$670	No	Yes	0	0.0%					
					1BR / 1BA	1	4.8%	631	@45%	\$1,042	No	Yes	0	0.0%					
					1BR / 1BA	1	4.8%	631	@60%	\$1,415	No	Yes	0	0.0%					
					1BR / 1BA	1	4.8%	631	Non-Rental	-	N/A	N/A	N/A	N/A					
					2BR / 1BA	1	4.8%	794	@30%	\$792	No	Yes	0	0.0%					
					2BR / 1BA	2	9.5%	794	@45%	\$1,239	No	Yes	0	0.0%					
					2BR / 1BA	2	9.5%	794	@50%	\$1,388	No	Yes	0	0.0%					
					2BR / 1BA	2	9.5%	794	@60%	\$1,686	No	Yes	0	0.0%					
					3BR / 2BA	2	9.5%	1,014	@30%	\$899	No	Yes	0	0.0%					
					3BR / 2BA	3	14.3%	1,014	@45%	\$1,416	No	Yes	0	0.0%					
3BR / 2BA	3	14.3%	1,014	@50%	\$1,588	No	Yes	0	0.0%										
3BR / 2BA	2	9.5%	1,014	@60%	\$1,932	No	Yes	0	0.0%										
					21														
4	1010 Pacific Apartments 1010 Pacific Avenue Santa Cruz, CA 95060 Santa Cruz County	0.1 miles	Midrise 5-stories 2004 / n/a Family	Market, Workforce	0BR / 1BA	2	1.8%	385	Market	\$2,056	N/A	No	0	0.0%					
					1BR / 1BA	N/A	N/A	850	Market	\$3,110	N/A	No	1	N/A					
					1BR / 1BA	44	39.3%	558	Market	\$2,477	N/A	No	0	0.0%					
					1BR / 1BA	13	11.6%	558	Workforce	\$1,976	Yes	Yes	0	0.0%					
					2BR / 2BA	N/A	N/A	1,043	Market	\$4,143	N/A	No	1	N/A					
					2BR / 2BA	41	36.6%	800	Market	\$3,490	N/A	No	0	0.0%					
					2BR / 2BA	10	8.9%	800	Workforce	\$2,301	N/A	Yes	0	0.0%					
					3BR / 2BA	2	1.8%	1,106	Market	\$3,764	N/A	No	0	0.0%					
										112									
5	Breakwater Apartments 1630 Merrill Street Santa Cruz, CA 95062 Santa Cruz County	2.3 miles	Various 1-stories 1970 / 2018 Family	Market	1BR / 1BA	32	32.0%	624	Market	\$2,658	N/A	No	0	0.0%					
					2BR / 1BA	40	40.0%	860	Market	\$3,141	N/A	No	0	0.0%					
					2BR / 1.5BA	12	12.0%	923	Market	\$3,391	N/A	No	0	0.0%					
					3BR / 2BA	16	16.0%	955	Market	\$3,422	N/A	No	0	0.0%					
										100									
					6	Chestnut Street Apartments 143 Chestnut Street Santa Cruz, CA 95060 Santa Cruz County	0.3 miles	Various 3-stories 2002 / n/a Family	Market	1BR / 1BA	33	34.4%	670	Market	\$1,397	N/A	No	0	0.0%
										2BR / 1BA	9	9.4%	900	Market	\$3,087	N/A	No	0	0.0%
										2BR / 1.5BA	15	15.6%	1,004	Market	\$3,606	N/A	No	0	0.0%
										2BR / 2BA	2	2.1%	1,020	Market	\$3,247	N/A	No	0	0.0%
2BR / 2.5BA	37	38.5%	1,070	Market						\$3,596	N/A	No	0	0.0%					
										96									
7	Corcoran Garden Apartments 650 Corcoran Avenue Santa Cruz, CA 95062 Santa Cruz County	2.6 miles	Various 2-stories 1961 / 2014 Family	Market						0BR / 1BA	1	2.0%	390	Market	\$1,640	N/A	No	0	0.0%
										1BR / 1BA	23	46.0%	550	Market	\$1,901	N/A	No	0	0.0%
										2BR / 1BA	N/A	N/A	1,000	Market	\$2,518	N/A	No	0	N/A
					2BR / 1BA	22	44.0%	800	Market	\$2,453	N/A	No	0	0.0%					
					2BR / 1.5BA	2	4.0%	700	Market	\$2,453	N/A	No	0	0.0%					
					3BR / 2BA	2	4.0%	1,150	Market	\$2,612	N/A	No	0	0.0%					
										50									
					8	Cypress Point Apartments 101 Felix Street Santa Cruz, CA 95060 Santa Cruz County	0.5 miles	Garden 2-stories 1977 / 2020 Family	Market	0BR / 1BA	N/A	N/A	440	Market	\$2,431	N/A	Yes	0	N/A
0BR / 1BA	48	20.0%	440	Market						\$2,131	N/A	Yes	0	0.0%					
1BR / 1BA	N/A	N/A	625	Market						\$2,527	N/A	Yes	0	N/A					
1BR / 1BA	136	56.7%	625	Market						\$2,652	N/A	Yes	5	3.7%					
2BR / 1BA	56	23.3%	771	Market						\$3,548	N/A	Yes	4	7.1%					
2BR / 1BA	N/A	N/A	771	Market						\$3,048	N/A	Yes	0	N/A					
										240									
9	Five55 Pacific 555 Pacific Ave Santa Cruz, CA 95060 Santa Cruz County	0.4 miles	Garden 3-stories 2018 / n/a Family	Market	0BR / 1BA	N/A	N/A	440	Market	\$2,731	N/A	No	0	N/A					
					0BR / 1BA	54	57.5%	440	Market	\$2,376	N/A	No	0	0.0%					
					1BR / 1BA	N/A	N/A	519	Market	\$3,053	N/A	No	0	N/A					
					1BR / 1BA	N/A	N/A	604	Market	\$3,273	N/A	No	0	N/A					
					1BR / 1BA	N/A	N/A	636	Market	\$3,202	N/A	No	0	N/A					
					1BR / 1BA	N/A	N/A	638	Market	\$3,232	N/A	No	0	N/A					
					1BR / 1BA	N/A	N/A	646	Market	\$3,157	N/A	No	0	N/A					
					1BR / 1BA	8	8.5%	519	Market	\$2,933	N/A	No	0	0.0%					
					1BR / 1BA	8	8.5%	604	Market	\$3,248	N/A	No	0	0.0%					
					1BR / 1BA	8	8.5%	636	Market	\$3,072	N/A	No	0	0.0%					
1BR / 1BA	8	8.5%	638	Market	\$2,847	N/A	No	0	0.0%										
1BR / 1BA	8	8.5%	646	Market	\$3,157	N/A	No	0	0.0%										
					94														
10	San Lorenzo Court 115 Canfield Avenue Santa Cruz, CA 95060 Santa Cruz County	0.5 miles	Garden 2-stories 1970 / n/a Family	Market	0BR / 1BA	1	5.9%	323	Market	\$2,233	N/A	Yes	0	0.0%					
					1BR / 1BA	12	70.6%	502	Market	\$2,175	N/A	Yes	0	0.0%					
					2BR / 2BA	4	23.5%	696	Market	\$2,515	N/A	Yes	0	0.0%					
										17									
					11	The Breakers 630 Water Street Santa Cruz, CA 95060 Santa Cruz County	0.8 miles	Garden 3-stories 2005/2019 / n/a Family	Market, Measure O - 60%	0BR / 1BA	41	56.2%	310	Market	\$2,056	N/A	Yes	0	0.0%
										0BR / 1BA	13	17.8%	310	Measure O - 60%	-	N/A	Yes	0	0.0%
										1BR / 1BA	5	6.9%	345	Market	\$2,207	N/A	Yes	0	0.0%
										1BR / 1BA	10	13.7%	365	Market	\$2,407	N/A	Yes	0	0.0%
										2BR / 1BA	4	5.5%	647	Market	\$3,043	N/A	Yes	0	0.0%
										73									

PROPERTY PROFILE REPORT

Neary Lagoon

Effective Rent Date	6/23/2021
Location	81 Chestnut Street Santa Cruz, CA 95060 Santa Cruz County
Distance	0.5 miles
Units	95
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1993 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Mercy Housing properties
Tenant Characteristics	Mostly couples and small families.
Contact Name	Rene
Phone	831-457-2424



Market Information

Program	@50%, @60%, Non-Rental
Annual Turnover Rate	2%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Remained stable since 2020
Concession	None
Waiting List	Yes, closed; approximately 250 households with a 1-2 year wait

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	600	\$1,241	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	7	600	\$1,638	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	21	840	\$1,490	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	10	840	\$1,968	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	27	1,180	\$1,721	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	13	1,180	\$2,265	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	1	1,180	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None

Neary Lagoon, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,241	\$0	\$1,241	\$0	\$1,241	1BR / 1BA	\$1,638	\$0	\$1,638	\$0	\$1,638
2BR / 1BA	\$1,490	\$0	\$1,490	\$0	\$1,490	2BR / 1BA	\$1,968	\$0	\$1,968	\$0	\$1,968
3BR / 2BA	\$1,721	\$0	\$1,721	\$0	\$1,721	3BR / 2BA	\$2,265	\$0	\$2,265	\$0	\$2,265
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
3BR / 2BA	N/A	\$0	N/A	\$0	N/A						

Amenities

In-Unit	Security	Services
Balcony/Patio	Video Surveillance	Adult Education
Carpeting		Afterschool Program
Coat Closet		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Business Center/Computer Lab	None	Community Gardens
Central Laundry		
On-Site Management		
Playground		

Comments

Only the two and three-bedroom units offer washer/dryer hook-ups. The contact stated approximately 10 percent of the tenants at the property are behind on rent due to circumstances caused by the COVID-19 pandemic. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

Photos



PROPERTY PROFILE REPORT

Nueva Vista Apartments

Effective Rent Date	6/22/2021
Location	133 Leibrandt Avenue Santa Cruz, CA 95060 Santa Cruz County
Distance	0.7 miles
Units	47
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Mercy Housing properties
Tenant Characteristics	Mixed tenancy
Contact Name	Raul
Phone	831-459-9296



Market Information

Program	@30%, @40%, @50%, @60%
Annual Turnover Rate	1%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Remained stable since 2020
Concession	None
Waiting List	Yes, closed; approximately 90 households with a 2+ year wait

Utilities

A/C	not included -- none
Cooking	not included -- gas
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	1	650	\$1,093	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	8	850	\$612	\$0	@30%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	3	850	\$846	\$0	@40%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	4	850	\$1,079	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	2	850	\$1,313	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	7	925	\$701	\$0	@30%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	1	925	\$971	\$0	@40%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	8	925	\$1,241	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	5	925	\$1,511	\$0	@60%	Yes	0	0.0%	no	None
4	2	Garden (3 stories)	7	1,100	\$1,443	\$0	@50%	Yes	0	0.0%	no	None
4	2	Garden (3 stories)	1	1,100	\$1,663	\$0	@60%	Yes	0	0.0%	no	None

Nueva Vista Apartments, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$612	\$0	\$612	\$148	\$760	2BR / 1BA	\$846	\$0	\$846	\$148	\$994
3BR / 2BA	\$701	\$0	\$701	\$165	\$866	3BR / 2BA	\$971	\$0	\$971	\$165	\$1,136
@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,079	\$0	\$1,079	\$148	\$1,227	1BR / 1BA	\$1,093	\$0	\$1,093	\$132	\$1,225
3BR / 2BA	\$1,241	\$0	\$1,241	\$165	\$1,406	2BR / 1BA	\$1,313	\$0	\$1,313	\$148	\$1,461
4BR / 2BA	\$1,443	\$0	\$1,443	\$187	\$1,630	3BR / 2BA	\$1,511	\$0	\$1,511	\$165	\$1,676
						4BR / 2BA	\$1,663	\$0	\$1,663	\$187	\$1,850

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	Daycare
Carpeting	Coat Closet		
Oven	Refrigerator		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Courtyard	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		

Comments

The contact reported the property has been generally unaffected by the ongoing COVID-19 outbreak thus far. A few tenants have used rental assistance programs, but there have been no missed rent payments. The contact stated the property has very low turnover and has not had a move-out in three years. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

Photos



PROPERTY PROFILE REPORT

Riverwalk Apartments

Effective Rent Date	6/25/2021
Location	110 Lindberg St Santa Cruz, CA 95060 Santa Cruz County
Distance	0.5 miles
Units	21
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2015 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Crystal
Phone	831-515-7577



Market Information

Program	@30%, @45%, @50%, @60%, Non-Rental
Annual Turnover Rate	1%
Units/Month Absorbed	N/A
HCV Tenants	38%
Leasing Pace	Within three days
Annual Chg. in Rent	Increased 20% to 47% since 4Q20
Concession	None
Waiting List	Yes, Open;. 30 to 40 people

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	1	631	\$670	\$0	@30%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	1	631	\$1,042	\$0	@45%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	1	631	\$1,415	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	1	631	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
2	1	Garden (3 stories)	1	794	\$792	\$0	@30%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	2	794	\$1,239	\$0	@45%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	2	794	\$1,388	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	2	794	\$1,686	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,014	\$899	\$0	@30%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	3	1,014	\$1,416	\$0	@45%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	3	1,014	\$1,588	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,014	\$1,932	\$0	@60%	Yes	0	0.0%	no	None

Riverwalk Apartments, continued

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@45%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$670	\$0	\$670	\$0	\$670	1BR / 1BA	\$1,042	\$0	\$1,042	\$0	\$1,042
2BR / 1BA	\$792	\$0	\$792	\$0	\$792	2BR / 1BA	\$1,239	\$0	\$1,239	\$0	\$1,239
3BR / 2BA	\$899	\$0	\$899	\$0	\$899	3BR / 2BA	\$1,416	\$0	\$1,416	\$0	\$1,416
@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,388	\$0	\$1,388	\$0	\$1,388	1BR / 1BA	\$1,415	\$0	\$1,415	\$0	\$1,415
3BR / 2BA	\$1,588	\$0	\$1,588	\$0	\$1,588	2BR / 1BA	\$1,686	\$0	\$1,686	\$0	\$1,686
						3BR / 2BA	\$1,932	\$0	\$1,932	\$0	\$1,932
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
1BR / 1BA	N/A	\$0	N/A	\$0	N/A						

Amenities

In-Unit	Blinds	Security	Services
Balcony/Patio	Coat Closet	Intercom (Buzzer)	Adult Education
Carpeting	Ceiling Fan	Limited Access	
Dishwasher	Oven	Video Surveillance	
Garbage Disposal			
Refrigerator			
Property	Clubhouse/Meeting Room/Community	Premium	Other
Business Center/Computer Lab	Central Laundry	None	None
Garage(\$75.00)	On-Site Management		
Off-Street Parking	Service Coordination		
Recreation Areas			

Comments

The contact stated that 11 of the 20 LIHTC units have additional HOME restrictions. The contact was unable to provide the rents for these units, in addition to some of the LIHTC-only units. LIHTC rents are not at maximum allowable levels due to the Santa Cruz Large Rent Increase Ordinance which prohibits a "large rent increase" defined as more than five percent in one year, or cumulatively, more than seven percent in any two consecutive years. In 2019, there was a rent increase of 9 percent. The property maintains a wait list that is currently closed. The contact reported the property has been generally unaffected by the ongoing COVID-19 outbreak thus far. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

Photos



PROPERTY PROFILE REPORT

1010 Pacific Apartments

Effective Rent Date	6/28/2021
Location	1010 Pacific Avenue Santa Cruz, CA 95060 Santa Cruz County
Distance	0.1 miles
Units	112
Vacant Units	2
Vacancy Rate	1.8%
Type	Midrise (5 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Pacific Shores
Tenant Characteristics	Mixed tenancy, 60% from Santa Cruz; large amount coming from bay area over the last six months, 10% seniors
Contact Name	Donna
Phone	831-471-5476



Market Information

Program	Market, Workforce
Annual Turnover Rate	32%
Units/Month Absorbed	18
HCV Tenants	21%
Leasing Pace	Within 1-3 weeks
Annual Chg. in Rent	Rents change weekly
Concession	None
Waiting List	Yes, list for WF units

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (5 stories)	2	385	\$1,925	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (5 stories)	N/A	850	\$2,978	\$0	Market	No	1	N/A	N/A	HIGH*
1	1	Midrise (5 stories)	44	558	\$2,345	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Midrise (5 stories)	13	558	\$1,844	\$0	Workforce	Yes	0	0.0%	yes	None
2	2	Midrise (5 stories)	N/A	1,043	\$3,995	\$0	Market	No	1	N/A	N/A	HIGH*
2	2	Midrise (5 stories)	41	800	\$3,342	\$0	Market	No	0	0.0%	N/A	LOW*
2	2	Midrise (5 stories)	10	800	\$2,153	\$0	Workforce	Yes	0	0.0%	N/A	None
3	2	Midrise (5 stories)	2	1,106	\$3,599	\$0	Market	No	0	0.0%	N/A	None

Photos



PROPERTY PROFILE REPORT

Breakwater Apartments

Effective Rent Date	6/24/2021
Location	1630 Merrill Street Santa Cruz, CA 95062 Santa Cruz County
Distance	2.3 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1970 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oceanview Breakers
Tenant Characteristics	Singles, couples, small families, a few seniors.
Contact Name	Randy Grant
Phone	831-476-4006



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	Pre-leased or within a month
Annual Chg. in Rent	Increased 2% to 10% since 2020
Concession	None
Waiting List	None

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	included -- gas
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	32	624	\$2,550	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	40	860	\$3,025	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	12	923	\$3,275	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	955	\$3,295	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$2,550	\$0	\$2,550	\$108	\$2,658
2BR / 1BA	\$3,025	\$0	\$3,025	\$116	\$3,141
2BR / 1.5BA	\$3,275	\$0	\$3,275	\$116	\$3,391
3BR / 2BA	\$3,295	\$0	\$3,295	\$127	\$3,422

Breakwater Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Carpeting		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Carport	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Swimming Pool		

Comments

The contact stated that the property was fully renovated in 2018. Renovations included new hardwood flooring, carpeting, quartz counter tops, stainless steel appliances, hardware, cabinets, bathrooms, and paint. One assigned parking space is included in the cost of rent, and additional spaces are available for \$50 per month. The contact stated the property has largely been unaffected by COVID-19 thus far. However, the contact noted that the property has experienced a slightly higher than average turnover rate, which is likely a result of the pandemic. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

Photos



PROPERTY PROFILE REPORT

Chestnut Street Apartments

Effective Rent Date	6/22/2021
Location	143 Chestnut Street Santa Cruz, CA 95060 Santa Cruz County
Distance	0.3 miles
Units	96
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, some students; large influx from the bay area over the past quarter
Contact Name	Sam
Phone	831-298-3003



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within one week
Annual Chg. in Rent	Decreased up to 17% due to COVID-19
Concession	None
Waiting List	None

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	33	670	\$2,265	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	9	900	\$2,939	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	15	1,004	\$3,458	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	2	1,020	\$3,099	\$0	Market	No	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	37	1,070	\$3,448	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$2,265	\$0	\$2,265	\$132	\$2,397
2BR / 1BA	\$2,939	\$0	\$2,939	\$148	\$3,087
2BR / 1.5BA	\$3,458	\$0	\$3,458	\$148	\$3,606
2BR / 2BA	\$3,099	\$0	\$3,099	\$148	\$3,247
2BR / 2.5BA	\$3,448	\$0	\$3,448	\$148	\$3,596

Chestnut Street Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator			
Property		Premium	Other
Exercise Facility	Central Laundry	None	Dog Park
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		

Comments

The contact reported that the property experienced a decrease in collections during the COVID-19 pandemic, and a number of tenants moved out over the summer of 2020. However, occupancy levels have been generally stable, and there has been no impact to phone call traffic. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager. There is an additional trash collection fee of \$25 per month for 1 bedroom unit and \$50 per month for 2 bedroom units.

Photos



PROPERTY PROFILE REPORT

Corcoran Garden Apartments

Effective Rent Date	6/23/2021
Location	650 Corcoran Avenue Santa Cruz, CA 95062 Santa Cruz County
Distance	2.6 miles
Units	50
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1961 / 2014
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Singles, couples, small families from the area
Contact Name	Wendy
Phone	831-475-2832



Market Information

Program	Market
Annual Turnover Rate	10%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to 1 week
Annual Chg. in Rent	Increased 2%-4% since 2Q2020
Concession	None
Waiting List	None

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	included -- gas
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	1	390	\$1,661	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	23	550	\$1,925	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden	N/A	1,000	\$2,550	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (2 stories)	22	800	\$2,485	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	2	700	\$2,485	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,150	\$2,650	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,661	\$0	\$1,661	-\$21	\$1,640
1BR / 1BA	\$1,925	\$0	\$1,925	-\$24	\$1,901
2BR / 1BA	\$2,485 - \$2,550	\$0	\$2,485 - \$2,550	-\$32	\$2,453 - \$2,518
2BR / 1.5BA	\$2,485	\$0	\$2,485	-\$32	\$2,453
3BR / 2BA	\$2,650	\$0	\$2,650	-\$38	\$2,612

Corcoran Garden Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Dishwasher		
Ceiling Fan	Oven		
Refrigerator			
Property		Premium	Other
Carport	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

Carport parking is only available for two-bedroom units at no additional charge. The manager confirmed that the two-bedroom/1.5-bathroom units now rent for the same price as the two-bedroom/one-bathroom units. The contact stated COVID-19 has had no noticeable impacts to the property, as it is fully occupied. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

Photos



PROPERTY PROFILE REPORT

Cypress Point Apartments

Effective Rent Date	6/22/2021
Location	101 Felix Street Santa Cruz, CA 95060 Santa Cruz County
Distance	0.5 miles
Units	240
Vacant Units	9
Vacancy Rate	3.8%
Type	Garden (2 stories)
Year Built/Renovated	1977 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy primarily from Northern California. Some students and healthcare workers.
Contact Name	Samantha
Phone	831-427-1991



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Pre-lease; within two weeks
Annual Chg. in Rent	Decreased up to 12% due to COVID-19
Concession	None
Waiting List	Yes; 5 people

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	N/A	440	\$2,300	\$0	Market	Yes	0	N/A	N/A	HIGH*
0	1	Garden (2 stories)	48	440	\$2,000	\$0	Market	Yes	0	0.0%	N/A	LOW*
1	1	Garden (2 stories)	N/A	625	\$2,600	\$0	Market	Yes	0	N/A	N/A	HIGH*
1	1	Garden (2 stories)	136	625	\$2,500	\$0	Market	Yes	5	3.7%	N/A	LOW*
2	1	Garden (2 stories)	56	771	\$3,400	\$0	Market	Yes	4	7.1%	N/A	HIGH*
2	1	Garden (2 stories)	N/A	771	\$2,900	\$0	Market	Yes	0	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$2,000 - \$2,300	\$0	\$2,000 - \$2,300	\$131	\$2,131 - \$2,431
1BR / 1BA	\$2,500 - \$2,600	\$0	\$2,500 - \$2,600	\$132	\$2,632 - \$2,732
2BR / 1BA	\$2,900 - \$3,400	\$0	\$2,900 - \$3,400	\$148	\$3,048 - \$3,548

Cypress Point Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Property		Premium	Other
Carport(\$30.00)	Exercise Facility	None	None
Jacuzzi	Central Laundry		
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

Units are being renovated at turnover with new flooring, fixtures, counter tops, and appliances, as needed. The range in leasing rates is based on whether or not units have been renovated. One carport parking space is included in the rent, while an additional reserved parking space is available for \$35 per month. The contact reported an impact to collections, occupancy, and phone traffic during the COVID-19 pandemic. Occupancy levels dropped to 74 percent in summer 2020 and only returned to a stabilized level of 95 percent in December 2020. The property is not currently experiencing any impacts on collections or turnover due to COVID-19. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager. The contact could not provide updated information on Housing Choice Vouchers and turnover rate.

Photos



PROPERTY PROFILE REPORT

Five55 Pacific

Effective Rent Date	6/23/2021
Location	555 Pacific Ave Santa Cruz, CA 95060 Santa Cruz County
Distance	0.4 miles
Units	94
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Leasing Agent
Phone	(831) 420-0555



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	9
HCV Tenants	7%
Leasing Pace	One day
Annual Chg. in Rent	Decreased 6-17% due to COVID-19
Concession	None
Waiting List	None

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	N/A	440	\$2,600	\$0	Market	No	0	N/A	N/A	HIGH*
0	1	Garden (3 stories)	54	440	\$2,245	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Garden (3 stories)	N/A	519	\$2,921	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	604	\$3,141	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	636	\$3,070	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	638	\$3,100	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Garden (3 stories)	N/A	646	\$3,025	\$0	Market	No	0	N/A	N/A	HIGH*
1	1	Garden (3 stories)	8	519	\$2,801	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Garden (3 stories)	8	604	\$3,116	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Garden (3 stories)	8	636	\$2,940	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Garden (3 stories)	8	638	\$2,715	\$0	Market	No	0	0.0%	N/A	LOW*
1	1	Garden (3 stories)	8	646	\$3,025	\$0	Market	No	0	0.0%	N/A	LOW*

Photos



PROPERTY PROFILE REPORT

San Lorenzo Court

Effective Rent Date	6/28/2021
Location	115 Canfield Avenue Santa Cruz, CA 95060 Santa Cruz County
Distance	0.5 miles
Units	17
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1970 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, majority of tenants are individuals; large influx coming from the bay area
Contact Name	Kitty
Phone	831-425-7000



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	Pre-leased
Annual Chg. in Rent	No change to inc. 13.1 percent
Concession	None
Waiting List	Yes; 50+ households

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	1	323	\$2,233	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	12	502	\$2,175	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	4	696	\$2,515	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$2,233	\$0	\$2,233	\$0	\$2,233
1BR / 1BA	\$2,175	\$0	\$2,175	\$0	\$2,175
2BR / 2BA	\$2,515	\$0	\$2,515	\$0	\$2,515

San Lorenzo Court, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Courtyard	None	None
Central Laundry	Off-Street Parking		

Comments

Management noted that COVID-19 had previously impacted the property, though not in any significant way. The property is fully occupied and there are no delinquencies related to COVID-19. A few instances of late or missed rent have occurred, but the property has worked with tenants to create payment plans. The range in leasing rates for one-bedroom units is based on square footage. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

Photos



PROPERTY PROFILE REPORT

The Breakers

Effective Rent Date	6/28/2021
Location	630 Water Street Santa Cruz, CA 95060 Santa Cruz County
Distance	0.8 miles
Units	73
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2005/2019 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified.
Tenant Characteristics	Mixed tenancy
Contact Name	Daniel
Phone	831-713-2753



Market Information

Program	Market, Measure O - 60%
Annual Turnover Rate	45%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Within one month
Annual Chg. in Rent	15% decrease to 2% increase due to COVID-19
Concession	None
Waiting List	Yes, seven to eight households

Utilities

A/C	not included -- none
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	41	310	\$1,925	\$0	Market	Yes	0	0.0%	N/A	None
0	1	Garden (3 stories)	13	310	N/A	\$0	Measure O - 60%	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	5	345	\$2,075	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	10	365	\$2,275	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	4	647	\$2,895	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Measure O -	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,925	\$0	\$1,925	\$131	\$2,056	Studio / 1BA	N/A	\$0	N/A	\$131	N/A
1BR / 1BA	\$2,075 - \$2,275	\$0	\$2,075 - \$2,275	\$132	\$2,207 - \$2,407						
2BR / 1BA	\$2,895	\$0	\$2,895	\$148	\$3,043						

The Breakers, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Coat Closet		
Dishwasher	Ceiling Fan		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Carport(\$25.00)	Clubhouse/Meeting Room/Community	None	None
Courtyard	Central Laundry		
Off-Street Parking	On-Site Management		
Recreation Areas			

Comments

The property consists of two phases, one of which was built in 2005, and the other of which was built in 2019. Market entry and absorption information was unavailable. The range in leasing rates for studio and one-bedroom units is based on whether units are in Phase I or Phase II. The contact stated that 13 of the studio units are affordable under the city program Measure O but was unable to provide details. In-unit washer/dryers are included in Phase II only. Assigned carport parking is available for a monthly fee ranging from \$25-\$45. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

Photos



CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

1BR LIHTC Units

Date of Market Study: 6/28/2021 Prepared By: Novgradac Consulting LLP	Cedar Street Family Apartments 532 Center Street Santa Cruz	Riverwalk Apartments 110 Lindberg Street Santa Cruz 831-515-7577	Neary Lagoon 81 Chestnut Street Santa Cruz 831-457-2424	Nueva Vista Apartments 124 Leibrant Avenue Santa Cruz 831-459-9296	Totals & Weighted Averages	Differential
	Characteristic	Char Adj	Char Adj	Char Adj		
Type ("M"arket, "L"ow Income)	L	L	L	L		
Distance in Miles from Subject		0.5	0.5	0.7		
Number of Units		1	7	1	9	
Vacancy Rate		0.0%	0.0%	0.0%		
Waiting List ("Y"es or "N"o)		Y	Y	Y		
Turnover Rate		1%	2%	1%		
Unit Size in SF	600	631	600	650	609	
Aggregate Size in SF		631	4,200	650	5,481	
Base Rent	\$1,523	\$1,415	\$1,638	\$1,093	\$1,553	-1.9%
Aggregate Rent		\$1,415	\$11,466	\$1,093	\$13,974	
Value Ratio (\$/SF)	\$2.54	\$2.24	\$2.73	\$1.68	\$2.55	-0.4%
# of stories	3	3	2	3		
Elevator ("Y"es or "N"o)	N	N	N	N		
# of Bedrooms	1	1	1	1		
# of Bathrooms	1	1	1	1		
Unit Size Adjustment	600	631	600	650		
Rent Concessions	N	N	N	N		
Age (built or last renovated)	2023	2015	1993/2013	2003		
Utilities Paid by Tenant						
Electricity	T	T	T	T		
Heat ("G"as or "E"lectric)	T/E	T/E	T/G	T/G		
Hot Water (G or E)	T/E	T/E	T/G	T/G		
Cooking (G or E)	T/E	T/E	T/G	T/G		
TV ("C"able or "S"atellite)	T	T	T	T		
Water/Sewer	L/L	T/T	L/L	T/T		
Trash	L	T	L	T		
Unit Amenities						
Central Heat/Cool			X			
Blinds	X	X	X	X		
Carpet	X	X	X	X		
Ceiling Fan		X				
Skylight						
Storage Closet						
Coat Closet	X	X	X	X		
Walk-In Closet						
Fireplace						
Patio/Balcony	X	X	X	X		
Appliances						
Refrigerator	X	X	X	X		
Stove/Oven	X	X	X	X		
Dishwasher	X	X				
Garbage Disposal	X	X	X			
Microwave						
Washer/Dryer						
Washer/Dryer Hook-ups						
Parking/Transportation						
Surface Parking		X	X	X		
Carport						
Underground Parking						
Detached Garage						
Attached Garage						
Tuck-under Garage						
Parking Garage		X/\$75				
Project Amenities						
Clubhouse/Community Room	X	X	X	X		
Swimming Pool						
Spa/Jacuzzi						
Exercise Room	X					
Picnic Area	X		X			
Tot Lot/Playground	X		X	X		
Tennis Court						
Basketball Court						
Volleyball Court						
On Site Manager	X	X	X	X		
Laundry Room	X	X	X	X		
Computer Room		X	X			
Car Wash Area						
Security						
Gated/Limited Access	X					
Courtesy Patrol						
Surveillance Camera		X	X			
Adjusted Rent	\$1,523	\$1,415	\$1,638	\$1,093	\$1,553	-1.9%
Aggregate Adjusted Rent		\$1,415	\$11,466	\$1,093	\$13,974	
Adjusted Value Ratio (\$/SF)	\$2.54	\$2.24	\$2.73	\$1.68	\$2.55	-0.4%
Adjusted Base Rent			100%	100%	100%	

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

2BR LIHTC Units

Date of Market Study: 6/28/2021 Prepared By: Novgradac Consulting LLP	Cedar Street Family Apartments 532 Center Street Santa Cruz	Riverwalk Apartments 110 Lindberg Street Santa Cruz 831-515-7577	Neary Lagoon 81 Chestnut Street Santa Cruz 831-457-2424	Nueva Vista Apartments 124 Leibrant Avenue Santa Cruz 831-459-9296	Totals & Weighted Averages	Differential
	Characteristic	Char	Adj	Char		
Type ("M"arket, "L"ow Income)	L	L	L	L		
Distance in Miles from Subject		0.5	0.5	0.7		
Number of Units		2	10	2	14	
Vacancy Rate		0.0%	0.0%	0.0%		
Waiting List ("Y"es or "N"o)		Y	Y	Y		
Turnover Rate		1%	2%	1%		
Unit Size in SF	835	794	840	850	835	
Aggregate Size in SF		1,588	8,400	1,700	\$11,688	
Base Rent	\$1,825	\$1,686	\$1,968	\$1,313	\$1,834	-0.5%
Aggregate Rent		\$3,372	\$19,680	\$2,626	\$25,678	
Value Ratio (\$/SF)	\$2.19	\$2.12	\$2.34	\$1.54	\$2.20	-0.5%
# of stories	3	3	2	3		
Elevator ("Y"es or "N"o)	N	N	N	N		
# of Bedrooms	2	2	2	2		
# of Bathrooms	1	1	1	1		
Unit Size Adjustment	835	794	840	850		
Rent Concessions	N	N	N	N		
Age (built or last renovated)	2023	2015	1993/2013	2003		
Utilities Paid by Tenant						
Electricity	T	T	T	T		
Heat ("G"as or "E"lectric)	T/E	T/E	T/G	T/G		
Hot Water (G or E)	T/E	T/E	T/G	T/G		
Cooking (G or E)	T/E	T/E	T/G	T/G		
TV ("C"able or "S"atellite)	T	T	T	T		
Water/Sewer	L/L	T/T	L/L	T/T		
Trash	L	T	L	T		
Unit Amenities						
Central Heat/Cool			X			
Blinds	X	X	X	X		
Carpet	X	X	X	X		
Ceiling Fan		X				
Skylight						
Storage Closet						
Coat Closet	X	X	X	X		
Walk-In Closet						
Fireplace						
Patio/Balcony	X	X	X	X		
Appliances						
Refrigerator	X	X	X	X		
Stove/Oven	X	X	X	X		
Dishwasher	X	X				
Garbage Disposal	X	X	X			
Microwave						
Washer/Dryer						
Washer/Dryer Hook-ups			X			
Parking/Transportation						
Surface Parking		X	X	X		
Carport						
Underground Parking						
Detached Garage						
Attached Garage						
Tuck-under Garage						
Parking Garage		X/\$75				
Project Amenities						
Clubhouse/Community Room	X	X	X	X		
Swimming Pool						
Spa/Jacuzzi						
Exercise Room	X					
Picnic Area	X		X			
Tot Lot/Playground	X		X	X		
Tennis Court						
Basketball Court						
Volleyball Court						
On Site Manager	X	X	X	X		
Laundry Room	X	X	X	X		
Computer Room		X	X			
Car Wash Area						
Security						
Gated/Limited Access	X					
Courtesy Patrol						
Surveillance Camera		X	X			
Adjusted Rent	\$1,825	\$1,686	\$1,968	\$1,313	\$1,834	-0.5%
Aggregate Adjusted Rent		\$3,372	\$19,680	\$2,626	\$25,678	
Adjusted Value Ratio (\$/SF)	\$2.19	\$2.12	\$2.34	\$1.54	\$2.20	-0.5%
Adjusted Base Rent			100%	100%	100%	

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

3BR LIHTC Units

Date of Market Study: 6/28/2021 Prepared By: Novgradac Consulting LLP	Cedar Street Family Apartments 532 Center Street Santa Cruz	Riverwalk Apartments 110 Lindberg Street Santa Cruz 831-515-7577	Neary Lagoon 81 Chestnut Street Santa Cruz 831-457-2424	Nueva Vista Apartments 124 Leibrant Avenue Santa Cruz 831-459-9296	Totals & Weighted Averages	Differential
	Characteristic	Char Adj	Char Adj	Char Adj		
Type ("M"arket, "L"ow Income)	L	L	L	L		
Distance in Miles from Subject		0.5	0.5	0.7		
Number of Units		2	13	5	20	
Vacancy Rate		0.0%	0.0%	0.0%		
Waiting List ("Y"es or "N"o)		Y	Y	Y		
Turnover Rate		1%	2%	1%		
Unit Size in SF	1000	1014	1180	925	1100	
Aggregate Size in SF		2,028	15,340	4,625	\$21,993	
Base Rent	\$2,115	\$1,932	\$2,265	\$1,511	\$2,043	3.5%
Aggregate Rent		\$3,864	\$29,445	\$7,555	\$40,864	
Value Ratio (\$/SF)	\$2.12	\$1.91	\$1.92	\$1.63	\$1.86	13.8%
# of stories	3	3	2	3		
Elevator ("Y"es or "N"o)	N	N	N	N		
# of Bedrooms	3	3	3	3		
# of Bathrooms	2	2	2	2		
Unit Size Adjustment	1000	1,014	1,180	925		
Rent Concessions	N	N	N	N		
Age (built or last renovated)	2023	2015	1993/2013	2003		
Utilities Paid by Tenant						
Electricity	T	T	T	T		
Heat ("G"as or "E"lectric)	T/E	T/E	T/G	T/G		
Hot Water (G or E)	T/E	T/E	T/G	T/G		
Cooking (G or E)	T/E	T/E	T/G	T/G		
TV ("C"able or "S"atellite)	T	T	T	T		
Water/Sewer	L/L	T/T	L/L	T/T		
Trash	L	T	L	T		
Unit Amenities						
Central Heat/Cool			X			
Blinds	X	X	X	X		
Carpet	X	X	X	X		
Ceiling Fan		X				
Skylight						
Storage Closet						
Coat Closet	X	X	X	X		
Walk-In Closet						
Fireplace						
Patio/Balcony	X	X	X	X		
Appliances						
Refrigerator	X	X	X	X		
Stove/Oven	X	X	X	X		
Dishwasher	X	X				
Garbage Disposal	X	X	X			
Microwave						
Washer/Dryer			X			
Washer/Dryer Hook-ups						
Parking/Transportation						
Surface Parking		X	X	X		
Carport						
Underground Parking						
Detached Garage						
Attached Garage						
Tuck-under Garage						
Parking Garage		X/\$75				
Project Amenities						
Clubhouse/Community Room	X	X	X	X		
Swimming Pool						
Spa/Jacuzzi						
Exercise Room	X					
Picnic Area	X		X			
Tot Lot/Playground	X		X	X		
Tennis Court						
Basketball Court						
Volleyball Court						
On Site Manager	X	X	X	X		
Laundry Room	X	X	X	X		
Computer Room		X	X			
Car Wash Area						
Security						
Gated/Limited Access	X					
Courtesy Patrol		X	X			
Surveillance Camera						
Adjusted Rent	\$2,115	\$1,932	\$2,265	\$1,511	\$2,043	3.5%
Aggregate Adjusted Rent		\$3,864	\$29,445	\$7,555	\$40,864	
Adjusted Value Ratio (\$/SF)	\$2.12	\$1.91	\$1.92	\$1.63	\$1.86	13.8%
Adjusted Base Rent		100%	100%	100%		

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

1BR Market Units

Date of Market Study: 6/28/2021 Prepared By: Novgradac Consulting LLP	Cedar Street Family Apartments 532 Center Street Santa Cruz	1010 Pacific Apartments 1010 Pacific Avenue Santa Cruz 831-471-5476	Chestnut Street Apartments 143 Chestnut Street Santa Cruz 831-298-3003	Five55 Pacific 555 Pacific Ave Santa Cruz 831 420-0555	Cypress Point Apartments 101 Felix Street Santa Cruz 831-427-1991	The Breakers 630 Water Street Santa Cruz 831-319-5660	Totals & Weighted Averages	Differential
	Characteristic	Char Adj	Char Adj	Char Adj	Char Adj	Char Adj		
Type ("M"arket, "L"ow Income)	L	M	M	M	M	M		
Distance in Miles from Subject		0.1	0.3	0.4	0.5	0.8		
Number of Units		44	33	8	136	10	231	
Vacancy Rate		11%	0.0%	7%	0.0%	0%		
Waiting List ("Y"es or "N"o)		N	Y	N	Y	N		
Turnover Rate		32%	50%	50%	25%	45%		
Unit Size in SF	600	558	670	604	625	345	606	
Aggregate Size in SF		24,552	22,110	4,832	85,000	3,450	\$139,944	
Base Rent	\$1,523	\$2,345	\$2,265	\$3,116	\$2,500	\$2,075	\$2,440	-37.6%
Aggregate Rent		\$103,180	\$74,745	\$24,928	\$340,000	\$20,750	\$563,603	
Value Ratio (\$/SF)	\$2.54	\$4.20	\$3.38	\$5.16	\$4.00	\$6.01	\$4.03	-37.0%
# of stories	3	5	3	3	2	3		
Elevator ("Y"es or "N"o)	N	Y (\$10)	N	Y (\$10)	N	N		
# of Bedrooms	1	1	1	1	1	1		
# of Bathrooms	1	1	1	1	1	1		
Unit Size Adjustment	600	558 \$44	670 (\$59)	604	625 (\$25)	345 \$100		
Rent Concessions	N	N	N	N	N	N		
Age (built or last renovated)	2023	2004 \$150	2002 \$150	2018	1977 / 2020 \$150	2019		
Utilities Paid by Tenant								
Electricity	T	T	T	T	T	T		
Heat ("G"as or "E"lectric)	T/E	T/E	T/E	T/E	T/E	T/E		
Hot Water (G or E)	T/E	T/G	T/G	T/E	T/E	T/E		
Cooking (G or E)	T/E	T/E	T/E	T/E	T/E	T/E		
TV ("C"able or "S"atellite)	T	T	T	T	T	T		
Water/Sewer	L/L	T/T \$103	T/T \$103	T/T \$103	T/T \$103	T/T \$103		
Trash	L	T \$29	T \$29	T \$29	T \$29	T \$29		
Unit Amenities								
Central Heat/Cool								
Blinds	X	X	X	X	X	X		
Carpet	X	X	X	X	X	X		
Ceiling Fan			X (\$5)			X (\$5)		
Skylight								
Storage Closet								
Coat Closet	X	X	X	X	\$5	X		
Walk-in Closet				X (\$5)		X (\$5)		
Fireplace								
Patio/Balcony	X	X	X	X	X	X		
Appliances								
Refrigerator	X	X	X	X	X	X		
Stove/Oven	X	X	X	X	X	X		
Dishwasher	X	X	X	X	X	X		
Garbage Disposal	X	X	X	X	X	X	\$5	
Microwave		X (\$5)		X (\$5)	X (\$5)	X (\$5)		
Washer/Dryer		X (\$30)		X (\$30)	X (\$30)	X (\$30)		
Washer/Dryer Hook-ups								
Parking/Transportation								
Surface Parking			X (\$5)		X (\$5)	X (\$5)		
Carport				X (\$10)	X (\$10)	X (\$10)		
Underground Parking						X/\$25		
Detached Garage								
Attached Garage								
Tuck-under Garage								
Parking Garage		X/\$125		X/\$35				
Project Amenities								
Clubhouse/Community Room	X	X	\$5	X	\$5	X		
Swimming Pool					X (\$5)			
Spa/Jacuzzi					X (\$5)			
Exercise Room	X	X	X	X	X	\$5		
Picnic Area	X	X	X	X	\$5	\$5		
Tot Lot/Playground	X	\$5	\$5	\$5	\$5	\$5		
Tennis Court								
Basketball Court								
Volleyball Court								
On Site Manager	X	X	X	X	X	X		
Laundry Room	X	X	X	\$5	X	X		
Computer Room		X (\$5)						
Car Wash Area								
Security								
Gated/Limited Access	X	X	\$5	X	\$5	\$5		
Courtesy Patrol								
Surveillance Camera								
Adjusted Rent	\$1,523	\$2,626	\$2,493	\$3,198	\$2,752	\$2,312	\$2,687	-43.3%
Aggregate Adjusted Rent		\$115,550	\$82,264	\$25,584	\$374,272	\$23,120	\$620,789	
Adjusted Value Ratio (\$/SF)	\$2.54	\$4.71	\$3.72	\$5.29	\$4.40	\$6.70	\$4.44	-42.8%
Adjusted Base Rent		112%	110%	103%	110%	111%		

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

2BR Market Units

Date of Market Study: 6/28/2021 Prepared By: Novogradac Consulting LLP	Cedar Street Family 532 Center Street Santa Cruz	1010 Pacific Apartments 1010 Pacific Avenue Santa Cruz 831-471-5476	Chestnut Street Apartments 143 Chestnut Street Santa Cruz 831-298-3003	Cypress Point Apartments 101 Felix Street Santa Cruz 831-427-1991	San Lorenzo Court 115 Canfield Avenue Santa Cruz 831-425-7000	The Breakers 630 Water Street Santa Cruz 831-319-5660	Totals & Weighted Averages	Differential					
	Characteristic	Char	Adj	Char	Adj	Char	Adj	Char	Adj	Char	Adj	Char	Adj
Type ("M"arket, "L"ow Income)	L	M	M	M	M	M	M						
Distance in Miles from Subject		0.1		0.3		0.5		0.8					
Number of Units		41		9		56		4					114
Vacancy Rate		11%		0.0%		0.0%		0%					
Waiting List ("Y"es or "N"o)		N		Y		Y		N					
Turnover Rate		32%		50%		25%		45%					
Unit Size in SF	835	800		900		771		696		647			785
Aggregate Size in SF		32,800		8,100		43,176		2,784		2,588			\$89,448
Base Rent	\$1,825	\$3,342		\$2,939		\$2,900		\$2,515		\$2,895			\$3,048
Aggregate Rent		\$137,022		\$26,451		\$162,400		\$10,060		\$11,580			\$347,513
Value Ratio (\$/SF)	\$2.19	\$4.18		\$3.27		\$3.76		\$3.61		\$4.47			\$3.89
# of stories	3	5		3		2		3		3			
Elevator ("Y"es or "N"o)	N	Y (\$10)		N		N		N		N			
# of Bedrooms	2	2		2		2		2		2			
# of Bathrooms	1	2	-\$30	1		1		2	-\$30	1			
Unit Size Adjustment	835	800	\$37	900	(\$53)	771	\$60	696	\$100	647	\$100		
Rent Concessions	N	N		N		N		N		N			
Age (built or last renovated)	2023	2004	\$150	2002	\$150	1977 / 2020	\$150	1970	\$250	2005			
Utilities Paid by Tenant													
Electricity	T	T		T		T		T		T			
Heat ("G"as or "E"lectric)	T/E	T/E		T/E		T/E		T/G		T/E			
Hot Water (G or E)	T/E	T/G		T/G		T/E		T/G		T/E			
Cooking (G or E)	T/E	T/E		T/E		T/E		T/E		T/E			
TV ("C"able or "S"atellite)	T	T		T		T		T		T			
Water/Sewer	L/L	T/T	\$119	T/T	\$119	T/T	\$119	T/T	\$119	T/T	\$119		
Trash	L	T	\$29	T	\$29	T	\$29	T	\$29	T	\$29		
Unit Amenities													
Central Heat/Cool		X		X		X		X		X			
Blinds	X	X		X		X		X		X			
Carpet	X	X		X		X		X		X			
Ceiling Fan				X	(\$5)					X	(\$5)		
Skylight													
Storage Closet													
Coat Closet	X	X		X			\$5		\$5	X			
Walk-In Closet										X	(\$5)		
Fireplace													
Patio/Balcony	X	X		X		X		X		X			
Appliances													
Refrigerator	X	X		X		X		X		X			
Stove/Oven	X	X		X		X		X		X			
Dishwasher	X	X		X		X		X		X			
Garbage Disposal	X	X		X		X		X			\$5		
Microwave		X	(\$5)			X	(\$5)			X	(\$5)		
Washer/Dryer		X	(\$30)					X	(\$30)				
Washer/Dryer Hook-ups													
Parking/Transportation													
Surface Parking				X	(\$5)	X	(\$5)	X	(\$5)	X	(\$5)		
Carport						X	(\$10)			X/\$25			
Underground Parking													
Detached Garage													
Attached Garage													
Tuck-under Garage													
Parking Garage		X/\$125											
Project Amenities													
Clubhouse/Community Room	X	X			\$5		\$5	X		X			
Swimming Pool						X	-\$5						
Spa/Jacuzzi						X	-\$5						
Exercise Room	X	X		X		X			\$5		\$5		
Picnic Area	X	X		X			\$5		\$5		\$5		
Tot Lot/Playground	X		\$5		\$5		\$5		\$5		\$5		
Tennis Court													
Basketball Court													
Volleyball Court													
On Site Manager	X	X		X		X		X	\$5	X			
Laundry Room	X	X		X		X				X			
Computer Room		X	(\$5)										
Car Wash Area													
Security													
Gated/Limited Access	X	X			\$5		\$5	X	-\$5		\$5		
Courtesy Patrol													
Surveillance Camera													
Adjusted Rent	\$1,825	\$3,602		\$3,189		\$3,253		\$2,973		\$3,148			\$3,360
Aggregate Adjusted Rent		\$147,664		\$28,700		\$182,178		\$11,892		\$12,592			\$383,026
Adjusted Value Ratio (\$/SF)	\$2.19	\$4.50		\$3.54		\$4.22		\$4.27		\$4.87			\$4.28
Adjusted Base Rent			108%		109%		112%		118%		109%		

CEDAR STREET FAMILY APARTMENTS – SANTA CRUZ, CALIFORNIA – MARKET STUDY

3BR Market Units

Date of Market Study: 6/28/2021 Prepared By: Novgradac Consulting LLP	Cedar Street Family Apartments 532 Center Street Santa Cruz	1010 Pacific Apartments 1010 Pacific Avenue Santa Cruz 831-471-5476	Breakwater Apartments 1630 Merrill Street Santa Cruz 831-476-4006	Corcoran Garden Apartments 650 Corcoran Avenue Santa Cruz 831-475-2832	Totals & Weighted Averages	Differential			
	Characteristic	Char	Adj	Char	Adj	Char	Adj	Char	Adj
Type ("M"arket, "L"ow Income)	L	M		M		M			
Distance in Miles from Subject		0.1		2.3		2.6			
Number of Units		2		16		1		19	
Vacancy Rate		11%		0%		0.0%			
Waiting List ("Y"es or "N"o)		N		N		N			
Turnover Rate		32%		40%		10%			
Unit Size in SF	1000	1106		955		1150		981	
Aggregate Size in SF		2,212		15,280		1,150		\$18,642	
Base Rent	\$2,115	\$3,599		\$3,295		\$2,650		\$3,293	-35.8%
Aggregate Rent		\$7,198		\$52,720		\$2,650		\$62,568	
Value Ratio (\$/SF)	\$2.12	\$3.25		\$3.45		\$2.30		\$3.36	-37.0%
# of stories	3	5		2		2			
Elevator ("Y"es or "N"o)	N	Y	(\$10)	N		N			
# of Bedrooms	3	3		3		3			
# of Bathrooms	2	2		2		2			
Unit Size Adjustment	1000	1,106	(\$86)	955	\$39	1,150	(\$86)		
Rent Concessions	N	N		N		N			
Age (built or last renovated)	2023	2004	\$150	1970/2018	\$150	1961/ 2014	\$150		
Utilities Paid by Tenant									
Electricity	T	T		T		T			
Heat ("G"as or "E"lectric)	T/E	T/E		T/E		T/E			
Hot Water (G or E)	T/E	T/G		L/G	-\$38	L/G	-\$38		
Cooking (G or E)	T/E	T/E		T/E		T/E			
TV ("C"able or "S"atellite)	T	T		T		T			
Water/Sewer	L/L	T/T	\$136	T/T	\$136	T/T	\$136		
Trash	L	T	\$29	T	\$29	T	\$29		
Unit Amenities									
Central Heat/Cool									
Blinds	X	X		X		X			
Carpet	X	X		X		X			
Ceiling Fan				X	(\$5)	X	(\$5)		
Skylight									
Storage Closet									
Coat Closet	X	X			\$5		\$5		
Walk-In Closet				X	(\$5)				
Fireplace									
Patio/Balcony	X	X		X		X			
Appliances									
Refrigerator	X	X		X		X			
Stove/Oven	X	X		X		X			
Dishwasher	X	X		X		X			
Garbage Disposal	X	X		X			\$5		
Microwave		X		X		X			
Washer/Dryer		X	(\$30)	X	(\$30)				
Washer/Dryer Hook-ups									
Parking/Transportation									
Surface Parking				X	(\$5)	X	(\$5)		
Carport				X	-\$10	X	(\$10)		
Underground Parking									
Detached Garage									
Attached Garage									
Tuck-under Garage									
Parking Garage		X/\$125							
Project Amenities									
Clubhouse/Community Room	X	X			\$5		\$5		
Swimming Pool				X	(\$5)	X	-\$5		
Spa/Jacuzzi									
Exercise Room	X	X		X			\$5		
Picnic Area	X	X			\$5		\$5		
Tot Lot/Playground	X		\$5		\$5		\$5		
Tennis Court									
Basketball Court									
Volleyball Court									
On Site Manager	X	X		X		X			
Laundry Room	X	X		X		X			
Computer Room		X	(\$5)						
Car Wash Area									
Security									
Gated/Limited Access	X	X			\$5	X			
Courtesy Patrol									
Surveillance Camera									
Adjusted Rent	\$2,115	\$3,788		\$3,576		\$2,846		\$3,560	-40.6%
Aggregate Adjusted Rent		\$7,576		\$57,213		\$2,846		\$67,634	
Adjusted Value Ratio (\$/SF)	\$2.12	\$3.42		\$3.74		\$2.47		\$3.63	-41.7%
Adjusted Base Rent			105%		109%		107%		

RENT COMPARABILITY MATRIX - EXPLANATION OF ADJUSTMENTS

The following details the adjustments made in the Rent Comparability Matrices.

Number of Stories/Elevator

The Subject will be a three-story lowrise development. Six of the market rate comparables offer a two or three-story walk-up design, similar to the Subject. The remaining two comparables offer three or five-story elevator-serviced designs, which is superior to the Subject. As such, these two comparables have been adjusted downward by \$10.

Unit Type/ Number of Bedrooms

The Subject will offer one, two, and three-bedroom units. All of the market rate comparables offer the same number of bedrooms as the Subject. As such, no adjustments have been applied to the market rate comparable units.

Number of Bathrooms

The Subject's one and two-bedroom units will offer one bathroom per unit, while the Subject's three-bedroom units will offer two bathrooms per unit. All of the one and three-bedroom comparables offer one and two bathrooms per unit, respectively. However, two two-bedroom comparables offer two bathrooms per unit. Based on our experience in the market, we have we have adjusted the comparable offering a full extra bathroom downward by \$30.

Unit Interior Square Footage

The Subject and the comparables vary in square footage. Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit is. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot one-bedroom unit functions similarly to a 700 square foot one-bedroom unit) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. We have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we are estimating that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage. Differences of \$10, or 10 square feet or less, as well as those of \$100 or greater were capped at \$100.

Rent Concessions

Concessions are calculated on a monthly basis and the corresponding negative adjustments are reflected in the matrices. None of the comparables in the matrices are currently offering concessions.

Age (Built or Last Renovated)

The multifamily market rate comparables were constructed between 1961 and 2019, with three of the developments reporting recent renovations. Two of the comparables (Five55 Pacific and The Breakers Phase II) exhibit excellent condition, similar to the anticipated condition of the Subject. Five of the comparables in addition to The Breakers Phase I exhibit good condition, slightly inferior to the Subject, and the remaining comparable (San Lorenzo Court) exhibits average condition, inferior to the Subject. The following table details the rent differential adjusted for everything other than condition.

CONDITION ADJUSTMENT

Property Name	Condition	1BR	2BR	3BR
Five55 Pacific	Excellent	\$3,198	-	-
The Breakers (Phase II)	Excellent	\$2,312	-	-
Mean - Excellent		\$2,755	-	-
1010 Pacific Apartments	Good	\$2,476	\$3,452	\$3,638
Chestnut Street Apartments	Good	\$2,343	\$3,039	-
Corcoran Garden Apartments	Good	-	-	\$2,696
Cypress Point Apartments	Good	\$2,602	\$3,103	-
Breakwater Apartments	Good	-	-	\$3,426
The Breakers (Phase I)	Good	-	\$3,148	-
Mean - Good		\$2,474	\$3,185	\$3,253
San Lorenzo Court	Average	-	\$2,723	-
Mean - Average		-	\$2,723	-
Difference (Excellent vs. Good)		\$281	-	-
Difference (Good vs. Average)		-	\$462	-

As shown, the premium for units in excellent versus good condition is approximately \$281, while the premium for units in good versus average condition is approximately \$462. Additionally, one comparable (Cypress Point Apartments) reported premiums for renovations ranging from \$180 to \$350. Given TCAC guidance regarding adjusting comparables by more than 10 percent, we have tempered with the rent differentials to adjust the properties in good condition upward by \$150 and the comparable in average condition upward by \$250. This appears more than reasonable and in fact, understates the true value of superior product.

It should be noted that two of the comparables have been adjusted upward (in total, on a net basis) by more than 10 percent. However, we believe this is warranted given the variance in condition among the comparables, coupled with significant adjustments for differences in unit size and utility structures.

Utilities Paid by Tenant

Tenants will be responsible for electric cooking and heating, electric water heating, and general electric expenses including air conditioning. The landlord will pay for all common area utilities as well as cold water, sewer, and trash expenses. According to the client, the Subject will have a project-specific utility allowance schedule. The comparable properties have been adjusted based on the Housing Authority of the County of Santa Cruz’s Utility Allowance Schedule, effective January 1, 2021. It should be noted that adjustments as a result of utility structure are not considered true rental adjustments, as they are simply a way to equalize the asking rents of the comparables for utilities, so there is a true apples-to-apples comparison with the Subject in terms of total shelter cost.

Unit Amenities

The Subject’s unit amenities will include blinds, carpeting and vinyl flooring, and coat closets. Additionally, some units will include a patio/balcony. Appropriate adjustments of \$5 are applied to all of the comparables to account for differences in unit amenities from the Subject based on conversations with local property managers. Amenities requiring adjustment included coat closets, ceiling fans, and walk-in closets. Overall, the Subject offers slightly inferior in-unit amenities compared to the market rate competition.

Appliances

Appliances will include a stove/oven, refrigerator, dishwasher, and garbage disposal. Appropriate adjustments of \$5 are applied to all of the comparables to account for differences in unit amenities from the Subject based

on conversations with local property managers. Adjustment amounts are based on conversations with area property managers.

The Subject will not offer in-unit washer and dryers or washer/dryer connections. Four of the comparables offer in-unit washer/dryers. In order to determine appropriate adjustments, we have used a cost/benefit methodology. An \$800 washer and dryer would cost approximately \$22 per month over a three-year lifespan of the appliance. If a household does three loads of laundry a week for \$3.00 per load, the cost would be approximately \$36 per month. This indicates a \$14 value to an in-unit washer and dryer. The comparable with washer/dryers in-unit received a downward adjustment of \$30. The remaining comparables offer central laundry facilities, which is similar to the Subject, as such no adjustments were applied.

Parking/Transportation

The Subject will not offer any on-site parking. All but two of the comparables offer off-street surface lot parking and received downward adjustments of \$5. Four comparables offer carport parking at no additional cost and have been adjusted downward by \$10. Further, one comparables offers carport parking for an additional \$25 per month, and two comparables offers garage parking for additional fees ranging from \$35 to \$125 per month; as such, they have not been adjusted. These adjustments are based on our market experience and conversations with property managers.

Project Amenities

The Subject's common area amenities will include a community room, courtyard, exercise facility, central laundry, on-site management, picnic area, playground, and recreation area. Comparables not offering any of these amenities received a \$5 upward adjustment. Appropriate adjustments of \$5 are applied to all of the comparables to account for differences in community amenities from the Subject based on conversations with local property managers. Overall, the Subject's community amenities will be similar to slightly inferior to the comparables.

Security

The Subject will offer limited access and an intercom system as security features. Three comparables offer limited access and/or an intercom system, and one comparable offers courtesy patrol. Appropriate adjustments of \$5 are applied to all of the comparables to account for differences in security features from the Subject based on conversations with local property managers.

MARKET CHARACTERISTICS

For detailed information pertaining to market characteristics, such as rent history, concessions, and turnover, please refer to the property profiles presented at the beginning of this section of the report.

Market Vacancy

The following tables details vacancy levels at comparable properties included in the survey.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Neary Lagoon	LIHTC	Family	95	0	0.0%
Nueva Vista Apartments	LIHTC	Family	47	0	0.0%
Riverwalk Apartments	LIHTC	Family	21	0	0.0%
1010 Pacific Apartments	Market	Family	112	2	1.8%
Breakwater Apartments	Market	Family	100	0	0.0%
Chestnut Street Apartments	Market	Family	96	0	0.0%
Corcoran Garden Apartments	Market	Family	50	0	0.0%
Cypress Point Apartments	Market	Family	240	9	3.8%
Five55 Pacific	Market	Family	94	0	0.0%
San Lorenzo Court	Market	Family	17	0	0.0%
The Breakers	Market	Family	73	0	0.0%
Total LIHTC			163	0	0.0%
Total Market Rate			782	11	1.4%
Overall Total			945	11	1.2%

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	OBR	1BR	2BR	3BR	4BR	Overall
Neary Lagoon	LIHTC	Family	-	0.0%	0.0%	0.0%	-	0.0%
Nueva Vista Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%	0.0%	0.0%
Riverwalk Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%	-	0.0%
1010 Pacific Apartments	Market	Family	0.0%	0.0%	0.0%	0.0%	-	1.8%
Breakwater Apartments	Market	Family	-	0.0%	0.0%	0.0%	-	0.0%
Chestnut Street Apartments	Market	Family	-	0.0%	0.0%	-	-	0.0%
Corcoran Garden Apartments	Market	Family	0.0%	0.0%	0.0%	0.0%	-	0.0%
Cypress Point Apartments	Market	Family	0.0%	3.7%	7.1%	-	-	3.8%
Five55 Pacific	Market	Family	0.0%	0.0%	-	-	-	0.0%
San Lorenzo Court	Market	Family	0.0%	0.0%	0.0%	-	-	0.0%
The Breakers	Market	Family	0.0%	0.0%	0.0%	-	-	0.0%

*Located outside of the PMA

As shown, the comparables reported vacancy rates ranging from zero to 3.8 percent, with an overall weighted average of 1.2 percent. All of the LIHTC comparables reported 100 percent occupancy. Further, all of the LIHTC comparables maintain waiting lists. In comparison the market rate comparables reported vacancy rates ranging from zero to 3.8 percent, with an average of 1.4 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of five percent or less.

We have also surveyed the comparable properties to assess the impact of the COVID-19 pandemic on turnover and tenant inability to pay rent as a result of furloughs and job losses.

IMPACTS FROM COVID-19 PANDEMIC

#	Comparable Property	City	Rent Structure	Tenancy	Turnover Related to COVID-19	% Delinquent due to COVID-19
1	Neary Lagoon	Santa Cruz	LIHTC	Family	None	10%
2	Nueva Vista Apartments	Santa Cruz	LIHTC	Family	None	0%
3	Riverwalk Apartments	Santa Cruz	LIHTC	Family	None	0%
4	1010 Pacific Apartments	Santa Cruz	Market, Workforce	Family	N/A	N/A
5	Breakwater Apartments	Santa Cruz	Market	Family	None	0%
6	Chestnut Street Apartments	Santa Cruz	Market	Family	None	Some
7	Corcoran Garden Apartments	Santa Cruz	Market	Family	None	0%
8	Cypress Point Apartments	Santa Cruz	Market	Family	None	0%
9	Five55 Pacific	Santa Cruz	Market	Family	None	0%
10	San Lorenzo Court	Santa Cruz	Market	Family	None	0%
11	The Breakers	Santa Cruz	Market, Measure O - 60%	Family	N/A	N/A

For the properties experiencing issues with tenant inability to pay rent, managers have developed a variety of payment plans or payment deferrals, which vary in length, to limit turnover and to alleviate the current strain on tenants. Most of the comparable properties reporting adverse impact from COVID-19 do not expect the number of tenants experiencing difficulties to increase substantially in the coming months. However, all properties are handling issues on a month-to-month basis.

Reasonability of Rents

The following table shows the Subject’s proposed unit mix, size, and rent structure.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	2021 HUD Fair Market Rents
<i>@30%</i>							
3BR / 2BA	1,000	4	\$1,030	\$54	\$1,084	\$1,084	\$3,947
<i>@30% (Permanent Supportive Housing)*</i>							
1BR / 1BA	600	12	\$741	\$40	\$781	\$781	\$2,292
2BR / 1BA	835	4	\$887	\$51	\$938	\$938	\$3,021
<i>@50%</i>							
1BR / 1BA	600	7	\$1,263	\$40	\$1,303	\$1,303	\$2,292
2BR / 1BA	835	3	\$1,512	\$51	\$1,563	\$1,563	\$3,021
3BR / 2BA	1,000	5	\$1,753	\$54	\$1,807	\$1,807	\$3,947
<i>@60%</i>							
1BR / 1BA	600	13	\$1,523	\$40	\$1,563	\$1,563	\$2,292
2BR / 1BA	835	6	\$1,825	\$51	\$1,876	\$1,876	\$3,021
3BR / 2BA	1,000	10	\$2,115	\$54	\$2,169	\$2,169	\$3,947
<i>Non-Rental</i>							
1BR / 1BA	600	1	N/A	N/A	N/A	N/A	\$2,292
65							

Notes (1) Source of Utility Allowance provided by the Developer, based on the Santa Cruz Housing Authority Utility Allowance dated January 1, 2021

*Eight of the PSH units will operate with PBV through the Santa Cruz Housing Authority; the remaining eight units will have rents offset through capitalized rent reserve, and tenants will pay 30 percent of their income towards rent.

The following tables compare the Subject’s proposed LIHTC rents with the market rents of surveyed properties. We have included the adjusted market rents for comparison purposes.

COMPARABLE PROPERTIES ADJUSTED MARKET RENTS

Unit Type	Subject's Highest Proposed LIHTC Rents	Surveyed Min	Surveyed Max	Surveyed Average
1BR/1BA	\$1,523	\$2,312	\$3,198	\$2,687
2BR/1BA	\$1,825	\$2,973	\$3,602	\$3,360
3BR/2BA	\$2,115	\$2,846	\$3,788	\$3,560

The Subject’s LIHTC rents are well below the comparable adjusted market rents, providing a significant tenant rent advantage. The Subject will be the new construction of a three-story lowrise residential building. As such, the Subject will be in excellent condition upon completion. The comparables’ adjusted market rents better reflect the achievable rent levels in the area, as adjustments account for condition, amenities, and utility structure. Therefore, the Subject’s proposed rents will provide a positive price value relationship over market rate developments and are achievable. Two of the comparables have been adjusted upward (in total, on a net basis) by more than 10 percent. However, we believe this is warranted given the variance in condition among the comparables, coupled with significant adjustments for differences in unit size and utility structures.

Comparable LIHTC Rents

An analysis of achievable LIHTC rents is beyond the scope of the TCAC guidelines. Therefore, we do not draw any conclusions as to the reasonableness of the Subject’s proposed LIHTC rents. We inform the reader that other users of this document may place great importance on underwriting the LIHTC rents. Further analysis may be required and the outcome of that analysis is unknown.

Achievable Market Rents

The achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac Consulting LLP concluded that the Subject will be competitive with the market rate competition and so achievable rents are within the market rental range. Achievable rents represent net market rate rent levels that we believe a project of the Subject’s condition and quality could reasonably achieve.

The Subject will be most comparable to 1010 Pacific Apartments and Five55 Pacific in terms of location and condition. 1010 Pacific Apartments was constructed in 2004 and is in good condition, which will be slightly inferior to the Subject. Five55 Pacific was constructed in 2018, and is in excellent condition, which will be similar to the Subject. Both of these comparables reported elevated vacancy rates related to effects due to COVID-19. These comparables are located between 0.1 and 0.4 miles from the Subject in neighborhoods considered similar to the Subject. The Subject will offer similar one and two-bedroom unit sizes relative to these two properties, while the three-bedroom units will be slightly inferior. Further, the Subject will offer slightly inferior in-unit and common area amenities relative to these comparables. Overall, we have estimated the achievable market rents within the range of the comparables utilized in the TCAC grids.

ACHIEVABLE MARKET RENTS

Unit Type	Subject's Highest Proposed LIHTC Rents	NOVOCO's Estimated Achievable Market Rents	Percent Advantage 60% AMI
1BR/1BA	\$1,523	\$2,650	-42.5%
2BR/1BA	\$1,825	\$3,150	-42.1%
3BR/2BA	\$2,115	\$3,550	-40.4%

As illustrated above, the Subject’s highest proposed LIHTC rents are significantly lower (40.4 to 42.5 percent) than our estimated achievable market rents.

Rent Comparability – Market Rents and Subject Proposed LIHTC Rents

The analysis to be performed is the ten percent test. The table below illustrates the affordability of the Subject’s proposed LIHTC rents. At all AMI levels, the Subject’s rents are at least ten percent below market rents. The following table compares the Subject’s LIHTC rents to the weighted average comparable market rate units.

TEN PERCENT RENT TEST

Unit Type	Subject's Highest Proposed LIHTC Rents	Comparable Properties Weighted Average Market Rents	Percent Advantage 60% AMI
1BR/1BA	\$1,523	\$2,687	-43.3%
2BR/1BA	\$1,825	\$3,360	-45.7%
3BR/2BA	\$2,115	\$3,560	-40.6%

As shown, the Subject’s highest proposed one, two, and three-bedroom LIHTC rents range between 40.6 and 45.7 percent less than the adjusted weighted average comparable market rents. The proposed rents at the

lower AMI levels will provide an even further discount over the average market rents. Thus, the Subject’s rents are at least ten percent below the average market rents, meeting the required benchmark.

Unit Value Ratio

TCAC requires that the unit value ratio for each of the Subject’s unit types be at or below the values for the same unit types among the comparable rental properties. This analysis is illustrated on the rent comparability matrices provided earlier in the report, and is detailed below.

UNIT VALUE RATIO					
Unit Type	Highest Proposed LIHTC Rent	Subject Unit Size	\$/SF	Comparable Properties Weighted Average \$/SF	Percent Advantage of Subject
1BR/1BA	\$1,523	600	\$2.54	\$4.44	-42.8%
2BR/1BA	\$1,825	835	\$2.19	\$4.28	-49.0%
3BR/2BA	\$2,115	1,000	\$2.12	\$3.63	-41.7%

The value ratios of the Subject’s affordable units at the highest rent levels are between 41.7 and 49.0 percent less than the comparables’ weighted average rents per square foot. Thus, the Subject’s unit value ratios meet the required benchmark.

Summary Evaluation of the Project

According to our survey, the market for affordable developments within the PMA is excellent. The area is experiencing stable and generally high occupancy levels, and waiting lists are common at the affordable properties. All of the LIHTC comparables reported being fully, and all maintain waiting lists. Based on our surveys, COVID-19 has had an impact on market performance with elevated vacancy levels and higher turnover among some of the comparables. The proposed rents for all affordable units in the proposed development will have at least a ten percent market advantage. As a new construction development, the Subject is expected to be competitive in the market, and will be an immediate improvement to the neighborhood. Additionally, the *Demand Estimate* section illustrates that demand in the area is strong and supports the development of the Subject. Upon completion, the Subject will provide excellent quality affordable housing in Santa Cruz.

EXISTING AND PLANNED AFFORDABLE HOUSING

The following chart identifies LIHTC developments within the Subject’s PMA. A search of the HUD LIHTC database and TCAC’s LIHTC lists of projects placed in service was performed.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Distance to Subject	Year Built/Allocated	Program	Tenancy	# of Total Units	# of Competitive Units - As Proposed	# of Competitive Units - Absent Subsidy	Occupancy	Waiting List
Riverwalk Apartments*	0.2 miles	2013	LIHTC/HOME	Family	21	20	20	100.0%	Yes
El Centro	0.7 miles	1991	LIHTC/PBV	Senior	44	0	0	N/Av	N/Av
La Playa	0.6 miles	1991	LIHTC	Senior	8	0	0	100.0%	Yes
Sycamore Street Commons	0.3 miles	1995	LIHTC/PBV	Family	60	59	59	N/Av	N/Av
Nueva Vista Apartments*	1.1 miles	2002	LIHTC	Family	47	47	47	100.0%	Yes
Pacific Shores Apartments	2.5 miles	2002	LIHTC/Market	Family	206	77	77	100.0%	No
Mission Gardens	2.1 miles	2008	LIHTC / Section 8	Mixed	50	49	0	N/Av	Yes
Tannery Artist Lofts	0.6 miles	2007	LIHTC	Artists	100	0	0	99.0%	Yes
Neary Lagoon*	1.1 miles	2012	LIHTC	Family	95	94	94	100.0%	Yes
Garfield Park Village	1.4 miles	2014	LIHTC	Senior	95	0	0	100.0%	Yes
East Cliff Village Apartments	2.3 miles	1986/2014	LIHTC / Section 8	Senior	76	0	0	N/Av	N/Av
St. Stephens Senior Housing	1.8 miles	2015	LIHTC/PBV	Senior	40	0	0	N/Av	N/Av
Arbor Cove	1.2 miles	1992	Section 8	Senior/Disabled	35	0	0	100.0%	Yes
Casa Linda	2.8 miles	1995	Public Housing	Senior/Disabled	21	0	0	100.0%	Yes
Elizabeth Oaks Apts.	2.0 miles	1983	Section 8	Senior/Disabled	126	0	0	N/Av	N/Av
La Posada	1.1 miles	1980	Section 8/Market	Senior	150	0	0	100.0%	Yes
San Lorenzo Park Apts	0.4 miles	1977	Section 8	Family	78	78	0	100.0%	Yes
Seaside Apartments	2.9 miles	1984	Section 8	Family	84	84	0	100.0%	Yes
Stepping Out Housing	1.0 mile	1985	Section 8	Senior/Disabled	18	0	0	100.0%	Yes
The Dakota Apartments	3.1 miles	1985	Section 8	Senior/Disabled	25	0	0	N/Av	N/Av
Monarch Housing Project	3.3 miles	N/Av	Section 8	Senior/Disabled	18	0	0	N/Av	N/Av
Grace Commons	0.8 miles	2007	PBV	Special Needs	15	0	0	100.0%	Yes
Gault Street Senior Housing	1.0 mile	2006	PBV	Senior	37	0	0	97.3%	Yes
Water Street Apartments	0.9 miles	2019	LIHTC	Family/Disabled	41	32	32	100.0%	Yes
Total					1,490	540	329		

*Utilized as a comparable

The affordable properties surveyed in the PMA are experiencing occupancy levels from 97.3 to 100.0 percent, most are full, and nearly all maintain waiting lists. It should be noted that we were unable to reach property managers at several of these properties. The comparable LIHTC properties are detailed further in the *Competitive Rental Market* section of this Market Study.

The Housing Authority of the County of Santa Cruz

We spoke Ellen Murtha with the Housing Authority of the County of Santa Cruz regarding the Housing Choice Voucher Program in Santa Cruz County. According to Ms. Murtha, the Housing Authority is allocated 5,058 Housing Choice Vouchers, of which approximately 4,630 are currently in use. There are approximately 12,744 households on the waiting list, which is currently closed. The gross payment standards for one, two, and three-bedroom units are reflected in the following table.

PAYMENT STANDARDS

Unit Type	Payment Standard	Subject Highest Proposed Gross Rent
One-bedroom	\$2,132	\$1,490
Two-bedroom	\$2,810	\$1,788
Three-bedroom	\$3,671	\$2,065

As illustrated, the Subject's proposed gross LIHTC rents are all well below the current payment standards; as such all units are suitable for voucher holders.

Proposed Construction

We reviewed TCAC, CDLAC, and HUD development lists for projects funded since 2018 as being best representative of current and planned affordable housing conditions. Per these lists, there has only been one project awarded funding in the Subject's PMA since 2018, which is detailed following.

- The project development Casa Del Rio & Santa Cruz Riverfront was awarded LIHTC funding in 2020 for the combined acquisition and rehabilitation of two existing multifamily developments (one of which is market rate, and one of which is Section 8) with a combined total of 103 one, two, and three-bedroom units. Upon renovation, 102 units will be restricted to households earning 50 and 60 percent of the AMI or below, 70 of which will be subsidized, and the remaining unit will be a non-rental manager's unit. Of the 102 revenue-generating units, 25 will target seniors 62 years and older, six will target persons with disabilities, and 71 will target the general population. Renovations are expected to be completed in early 2021. Overall, only 29 one-bedroom units will be LIHTC-only and targeted to the general population and will, hence, be competitive with the Subject. As such, these 29 units have been accounted for in our penetration rate analysis.

Further, to our knowledge, no other applications for developments within the PMA were submitted in 2020.

We attempted to contact the Santa Cruz Planning and Community Development Department regarding planned, proposed, or under construction multifamily developments in Santa Cruz. However, as of the date of this report, our calls and emails have not been returned. As such, we searched the City website for further information.

We attempted to contact the City of Capitola Community Development Department regarding planned, proposed, or under construction multifamily developments. However, as of the date of this report, our calls have not been returned.

We searched CoStar for any additional planned, proposed, or under construction multifamily developments in the PMA. According to CoStar, there are several additional developments.

The following table summarizes our findings on recent multifamily developments in the PMA.

RECENT MULTIFAMILY DEVELOPMENTS IN THE PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status
Golf Club Drive	Market	Disability	10	0	Completed
11547 Pacific Avenue	Market	Family	79	0	Completed
Water Street Apartments	LIHTC	Family/Disabled	41	32	Completed
The Breakers (Phase II)*	Market	Family	20	0	Completed
Live Oak Crossing	Market	Family	13	0	Completed
230 Grandview Street	Market	Family	12	0	Under Construction
Pacific Front Development	Market	Family	205	0	Approved
119 Coral Street	Supportive Housing	Special Needs	120	120	Approved
Upper Crust Apartments	Market	Family	14	0	Approved
River Street Townhomes	Market	Family	12	0	Approved
Pacific Station Redevelopment	PLHA Funding	Family	85	85	Proposed
831 Water Street	LIHTC/PBV	Family	71	71	Proposed
1800-1818 Soquel Ave	Market	Family	32	0	Proposed
2606 Paul Minnie Ave	Market	Family	15	0	Proposed
350 Ocean St	LIHTC	Family	63	63	Proposed
530 Front St	Market	Family	170	0	Proposed
MidPen Housing	Workforce	Family	56	0	Proposed
Pacific Ave	Market	Family	205	0	Proposed
Pleasure Point Plaza	Market/Affordable	Family	33	33	Proposed
Totals			1,256	404	

Source: CoStar, June 2021

*Utilized as a comparable

As illustrated, there are 404 proposed, under construction, or recently completed multifamily developments that will be competitive with the Subject. Of these, 32 units have already been absorbed, while the remaining 372 units have not.

Building Permits

Historical building permit information for Santa Cruz County obtained from the U.S. Census Bureau is presented in the following chart. Data for 2020 is not yet available.

BUILDING PERMITS: SANTA CRUZ COUNTY 2008 - 2019

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2008	221	3	93	317
2009	132	0	17	149
2010	121	4	33	158
2011	101	22	85	208
2012	171	8	58	237
2013	173	17	104	294
2014	172	15	104	291
2015	202	13	120	335
2016	223	16	250	489
2017	222	22	163	407
2018	242	30	154	426
2019	238	26	165	429
Total	2,218	176	1,346	3,740
Average	185	15	112	312

Source: US Census Bureau Building Permits, Novogradac Consulting LLP, June 2021

As illustrated above, single-family/duplex construction has made up approximately 59.3 percent of building permits in the county since 2008. Multifamily developments of five or more units comprised approximately 36.0 percent of permits during this time.

Conclusion

All the data combined with interviews of real estate professionals demonstrate an ongoing need for the creation and maintenance of market rate and affordable housing in the PMA over the foreseeable term. Additionally, the majority of the area’s affordable housing developments maintain waiting lists for all unit types, and all properties surveyed reported full occupancy rates. Within the PMA, there are approximately 278 competitive units entering the market over the next two years. However, as previously discussed, the overall capture rate for the Subject for all units is low, indicating sufficient demand for the Subject’s units. Further, the penetration rate is low. Therefore, we anticipate that the Subject and the existing affordable properties will not hinder each other’s ability to maintain full occupancy.

All of the comparable properties used for comparison in this report are located within the Subject’s PMA. The Subject’s affordable rents offer a significant tenant rent advantage over the market rate developments surveyed. The Subject will have a positive impact on the surrounding neighborhood and will not adversely affect existing or proposed market rate or affordable housing located in the area.

ADDENDUM A

Assumptions & Limiting Conditions

ASSUMPTIONS & LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and marketable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the development will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil, or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation, the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional

appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations, or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes

ADDENDUM B

Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- Bureau of Labor Statistics
- Bureau of Justice Statistics
- City of Santa Cruz Department of Economic Development
- Santa Cruz Planning and Community Development Department
- CoStar
- Zillow.com
- ESRI Demographics
- Ribbon Demographics
- Department of Housing and Urban Development (HUD)
- Housing Authority of the County of Santa Cruz
- Housing Authority of the County of Santa Cruz Utility Allowance
- California Employment Development Department
- California Tax Credit Allocation Committee 2021 Market Study Requirements
- California Tax Credit Allocation Committee List of Funded Projects

ADDENDUM C

Demographic Reports



Demographic and Income Profile

Prepared By Business Analyst Pro

Summary	Census 2010	2020	2025
Population	99,555	103,833	104,568
Households	38,197	38,937	39,246
Families	19,007	19,304	19,436
Average Household Size	2.37	2.37	2.37
Owner Occupied Housing Units	18,277	18,783	19,161
Renter Occupied Housing Units	19,920	20,154	20,085
Median Age	34.2	34.8	36.2
Trends: 2020-2025 Annual Rate	Area	State	National
Population	0.14%	0.55%	0.72%
Households	0.16%	0.50%	0.72%
Families	0.14%	0.50%	0.64%
Owner HHs	0.40%	0.65%	0.72%
Median Household Income	2.37%	1.81%	1.60%

Households by Income	2020		2025	
	Number	Percent	Number	Percent
<\$15,000	3,987	10.2%	3,565	9.1%
\$15,000 - \$24,999	2,982	7.7%	2,594	6.6%
\$25,000 - \$34,999	2,444	6.3%	2,151	5.5%
\$35,000 - \$49,999	3,434	8.8%	3,212	8.2%
\$50,000 - \$74,999	5,155	13.2%	4,983	12.7%
\$75,000 - \$99,999	4,099	10.5%	4,103	10.5%
\$100,000 - \$149,999	6,395	16.4%	6,762	17.2%
\$150,000 - \$199,999	4,044	10.4%	4,556	11.6%
\$200,000+	6,395	16.4%	7,318	18.6%
Median Household Income	\$82,541		\$92,817	
Average Household Income	\$120,014		\$134,639	
Per Capita Income	\$45,545		\$51,056	

Population by Age	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	4,438	4.5%	4,098	3.9%	4,158	4.0%
5 - 9	4,348	4.4%	4,061	3.9%	3,991	3.8%
10 - 14	4,198	4.2%	4,191	4.0%	3,957	3.8%
15 - 19	9,829	9.9%	10,446	10.1%	10,090	9.6%
20 - 24	14,134	14.2%	12,178	11.7%	11,879	11.4%
25 - 34	13,908	14.0%	17,277	16.6%	16,276	15.6%
35 - 44	12,323	12.4%	11,977	11.5%	13,949	13.3%
45 - 54	13,131	13.2%	11,665	11.2%	11,013	10.5%
55 - 64	12,584	12.6%	12,476	12.0%	11,540	11.0%
65 - 74	5,495	5.5%	9,503	9.2%	10,212	9.8%
75 - 84	3,204	3.2%	3,879	3.7%	5,345	5.1%
85+	1,962	2.0%	2,082	2.0%	2,158	2.1%

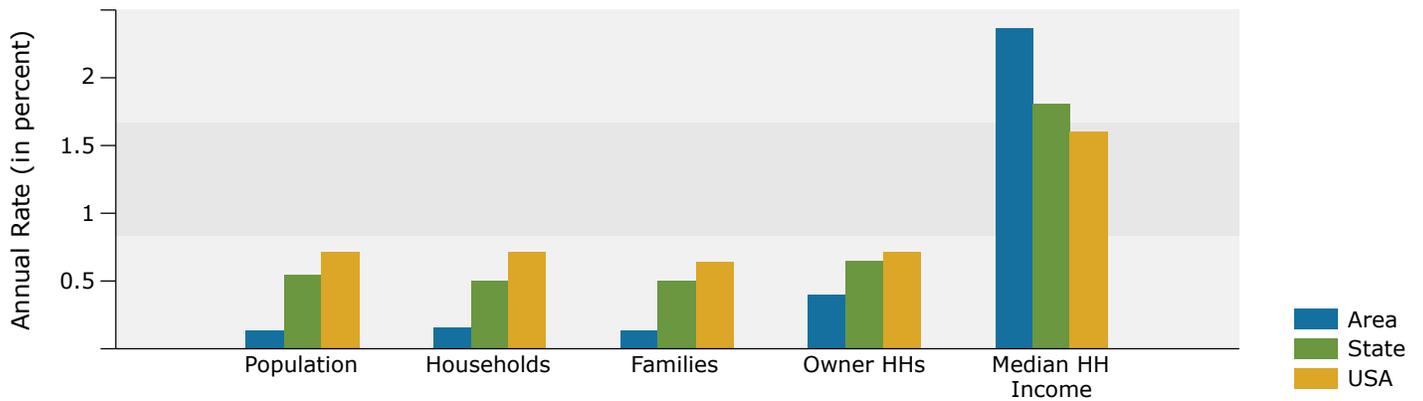
Race and Ethnicity	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
White Alone	75,495	75.8%	74,979	72.2%	73,647	70.4%
Black Alone	1,560	1.6%	1,803	1.7%	1,889	1.8%
American Indian Alone	791	0.8%	895	0.9%	919	0.9%
Asian Alone	6,081	6.1%	7,414	7.1%	8,007	7.7%
Pacific Islander Alone	176	0.2%	206	0.2%	211	0.2%
Some Other Race Alone	10,179	10.2%	12,135	11.7%	13,052	12.5%
Two or More Races	5,273	5.3%	6,401	6.2%	6,843	6.5%
Hispanic Origin (Any Race)	20,782	20.9%	24,773	23.9%	26,831	25.7%

Data Note: Income is expressed in current dollars.

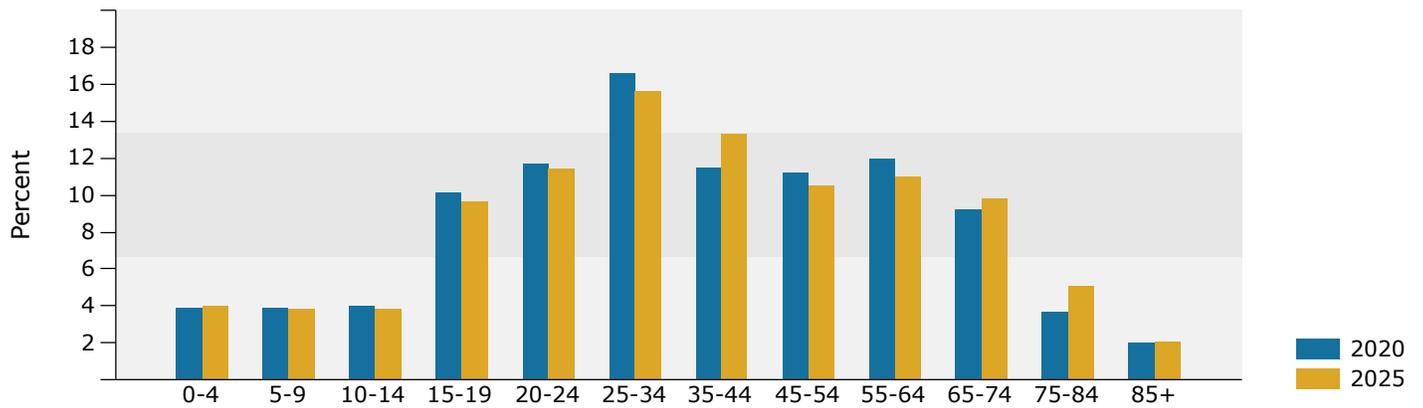
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

June 25, 2021

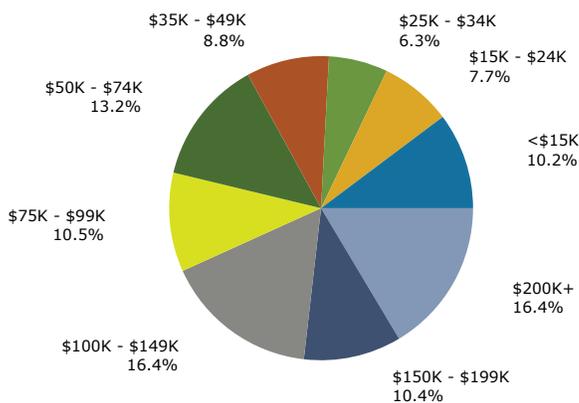
Trends 2020-2025



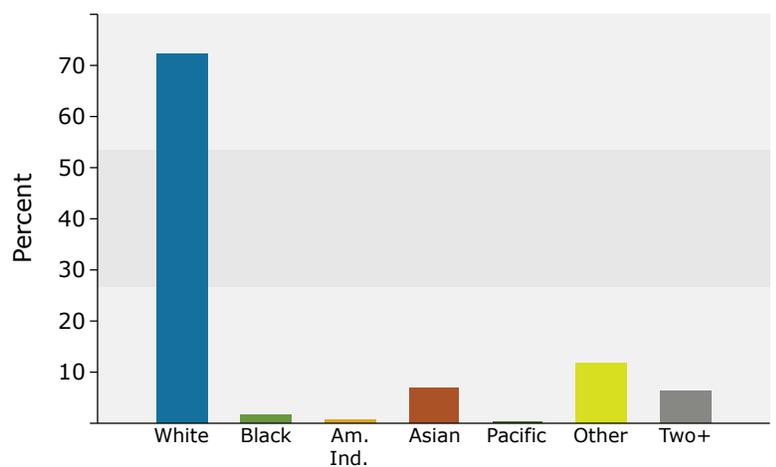
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin: 23.9%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

ADDENDUM D

Utility Allowance Schedule

**COUNTY OF SANTA CRUZ
UTILITY ALLOWANCE
Effective January 1, 2021**

Detached Single Family Dwelling

Utility Or Services	Number of Bedrooms									
	0	1	2	3	4	5	6	7	8	
General Utilities (lights, etc)	\$47	\$56	\$84	\$114	\$144	\$174	\$190	\$205	\$219	
Heating	Electric	\$44	\$52	\$60	\$69	\$77	\$86	\$95	\$103	\$110
	Gas	\$29	\$33	\$37	\$42	\$46	\$50	\$54	\$58	\$62
	Propane	\$88	\$99	\$110	\$125	\$137	\$148	\$163	\$175	\$186
Cooking	Electric	\$9	\$11	\$15	\$20	\$25	\$30	\$32	\$34	\$36
	Gas	\$4	\$4	\$7	\$8	\$11	\$13	\$14	\$15	\$17
	Propane	\$12	\$12	\$19	\$27	\$34	\$38	\$42	\$46	\$50
Water Heater	Electric	\$26	\$31	\$39	\$48	\$57	\$63	\$73	\$79	\$84
	Gas	\$12	\$16	\$21	\$25	\$32	\$37	\$42	\$46	\$51
	Propane	\$34	\$38	\$53	\$72	\$88	\$103	\$110	\$122	\$129
Tenant Owns Range	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	
Tenant Owns Refrigerator	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	
Water	\$56	\$57	\$73	\$90	\$112	\$135	\$151	\$167	\$182	
Sewer	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	
Garbage	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	

**COUNTY OF SANTA CRUZ
UTILITY ALLOWANCE
Effective January 1, 2021**

Duplexes, Row-houses, Townhouses

Utility Or Services	Number of Bedrooms									
	0	1	2	3	4	5	6	7	8	
General Utilities (lights, etc)	\$40	\$47	\$70	\$95	\$121	\$147	\$160	\$173	\$185	
Heating	Electric	\$31	\$36	\$45	\$53	\$61	\$71	\$77	\$83	\$90
	Gas	\$28	\$32	\$35	\$39	\$42	\$46	\$50	\$54	\$57
	Propane	\$84	\$95	\$103	\$118	\$125	\$137	\$148	\$163	\$171
Cooking	Electric	\$9	\$12	\$15	\$20	\$25	\$30	\$32	\$34	\$36
	Gas	\$4	\$4	\$7	\$8	\$11	\$13	\$14	\$15	\$17
	Propane	\$12	\$12	\$19	\$27	\$34	\$38	\$42	\$46	\$50
Water Heater	Electric	\$26	\$31	\$39	\$48	\$57	\$66	\$74	\$79	\$84
	Gas	\$12	\$16	\$21	\$25	\$32	\$37	\$42	\$46	\$51
	Propane	\$34	\$38	\$53	\$72	\$88	\$103	\$110	\$122	\$129
Tenant Owns Range	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	
Tenant Owns Refrigerator	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	
Water	\$56	\$57	\$73	\$90	\$112	\$135	\$151	\$167	\$182	
Sewer	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	
Garbage	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	

**COUNTY OF SANTA CRUZ
UTILITY ALLOWANCE
Effective January 1, 2021**

Apartments

Utility Or Services	Number of Bedrooms									
	0	1	2	3	4	5	6	7	8	
General Utilities (lights, etc)	\$31	\$37	\$53	\$71	\$91	\$111	\$122	\$132	\$141	
Heating	Electric	\$21	\$27	\$34	\$42	\$53	\$61	\$68	\$76	\$83
	Gas	\$19	\$24	\$26	\$29	\$34	\$39	\$44	\$49	\$54
	Propane	\$57	\$72	\$80	\$88	\$95	\$103	\$110	\$122	\$129
Cooking	Electric	\$9	\$11	\$15	\$20	\$25	\$30	\$32	\$34	\$36
	Gas	\$4	\$4	\$7	\$8	\$11	\$13	\$14	\$15	\$17
	Propane	\$12	\$12	\$19	\$27	\$34	\$38	\$42	\$46	\$50
Water Heater	Electric	\$21	\$24	\$32	\$38	\$45	\$52	\$57	\$63	\$68
	Gas	\$12	\$16	\$21	\$25	\$32	\$37	\$42	\$46	\$51
	Propane	\$27	\$31	\$42	\$57	\$72	\$84	\$91	\$99	\$103
Tenant Owns Range	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	
Tenant Owns Refrigerator	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	
Water	\$56	\$57	\$73	\$90	\$112	\$135	\$151	\$167	\$182	
Sewer	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	
Garbage	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	

COUNTY OF SANTA CRUZ UTILITY ALLOWANCE Effective January 1, 2021

Manufactured Homes

Utility Or Services	Number of Bedrooms									
	0	1	2	3	4	5	6	7	8	
General Utilities (lights, etc)	\$47	\$56	\$84	\$114	\$144	\$174	\$190	\$205	\$219	
Heating	Electric	\$44	\$52	\$60	\$69	\$77	\$86	\$95	\$103	\$110
	Gas	\$29	\$33	\$37	\$42	\$46	\$50	\$54	\$58	\$62
	Propane	\$88	\$99	\$110	\$125	\$137	\$148	\$163	\$175	\$186
Cooking	Electric	\$9	\$11	\$15	\$20	\$25	\$30	\$32	\$34	\$36
	Gas	\$4	\$4	\$7	\$8	\$11	\$13	\$14	\$15	\$17
	Propane	\$12	\$12	\$19	\$27	\$34	\$38	\$42	\$46	\$50
Water Heater	Electric	\$26	\$31	\$39	\$48	\$57	\$63	\$73	\$79	\$84
	Gas	\$12	\$16	\$21	\$25	\$32	\$37	\$42	\$46	\$51
	Propane	\$34	\$38	\$53	\$72	\$88	\$103	\$110	\$122	\$129
Tenant Owns Range	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	
Tenant Owns Refrigerator	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	\$13	
Water	\$56	\$57	\$73	\$90	\$112	\$135	\$151	\$167	\$182	
Sewer	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	\$49	
Garbage	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	

ADDENDUM E

Floor Plans and Site Elevations (As Available)



Summary

532 Center Street

District: CBD
 Lot Area: 0.77 acres / 33,650 sf
 DU: 64 units

Unit Mix:
 Open Space: ± 5,200 SF

Unit Type	Lvl 1	Lvl 2	Lvl 3	Total	%
1 Bedroom	9	11	11	31	48%
2 Bedroom	5	6	6	17	27%
3 Bedroom	4	6	6	16	25% +
				64	100%

Center St

Cedar St



Architecture + Planning
 17911 Von Karman Ave,
 Suite 200
 Irvine, CA 92614
 949.851.2133
 ktgy.com

CEDAR STREET
 SANTA CRUZ, CA # 2020-642

CONCEPTUAL DESIGN
 NOVEMBER 6, 2020



SITE PLAN

A1.0

ADDENDUM F

Market Study Index



Market Study Index

Market Analysts must provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exist, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

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ADDENDUM G

Qualifications of Consultants

PREVIOUS EXPERIENCE IN MARKET AREA

In accordance with TCAC regulations, we have provided details pertaining to our experience within the Subject market. Over the past seven years, Novogradac Consulting LLP has completed five prior appraisals or market studies within Santa Cruz County within the past five years. Rachel Denton has over 18 years of multifamily real estate experience. K. David Adamescu has over 10 years of multifamily real estate experience. Finally, Robert McCarthy has over three years of multifamily real estate experience.

Detailed resumes for the Novogradac staff that prepared this market study are located following

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI**

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
 2013 Director of Communications and Board Member for Kansas City CREW
 2014 Secretary and Board Member for Kansas City CREW
 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of Texas Certified General Real Estate Appraiser No. 1380396

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
 Appraisal Principals, September 2004
 Basic Income Capitalization, April 2005
 Uniform Standards of Professional Appraisal Practice, various
 Advanced Income Capitalization, August 2006
 General Market Analysis and Highest & Best Use, July 2008
 Advanced Sales Comparison and Cost Approaches, June 2009
 Advanced Applications, June 2010
 General Appraiser Report Writing and Case Studies, July 2014
 Standards and Ethics (USPAP and Business Practices and Ethics)
 MAI Designation General Comprehensive Examination, January 2015
 MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado and Missouri Workforce Housing Association.

V. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various

demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

K. DAVID ADAMESCU

I. Education

The Ohio State University, Columbus, OH
Masters of City and Regional Planning (MCRP)
Bachelors of Arts, Economics

II. Professional Experience

Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Project Director, VWB Research
Field Analyst, The Danter Company

III. Real Estate Assignments

A summary of assignments relating to market feasibility studies and appraisals includes:

- Written and supervised the production of over 1,000 rental housing market studies for projects located throughout 47 states as well as Puerto Rico and Virgin Islands. The preponderance of experience is with affordable housing developments, particularly those that operate with Section 42 Low-income Housing Tax Credit, HUD Section 8/202, and/or USDA Rural Development financing. Scope of analysis typically has included physical inspection of the property and market (have conducted over 400 property inspections throughout the United States and Puerto Rico), concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination.
- Assisted in over 200 appraisals of multifamily rental housing, commercial office, and commercial retail properties. Analysis has included assisting with supply analysis and rent determination, operating expense analysis, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Additional experience authoring market feasibility analyses for condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Robert McCarthy

I. Education

The Ohio State University, Columbus, Ohio
Bachelor of Science in Economics, Bachelor of Arts in Public Affairs

II. Professional Experience

Analyst, Novogradac & Company LLP, January 2020 – Present
Junior Analyst, Novogradac & Company LLP, August 2017 – December 2019
Regional Field Organizer, AARP Take a Stand Campaign, June 2016 – December 2016

III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties, as well as solar farm developments.

ADDENDUM H

Market Rate Comparables Outside of One Mile

PHOTOS OF COMPARABLES OUTSIDE ONE MILE

Per TCAC Market Study Requirements, we have provided photos of surrounding uses of market rate comparables located more than mile from the Subject. Two market rate comparables utilized in the grids are located more than one mile from the Subject.

Breakwater Apartments – 2.3 miles from Subject



Single-family to the north



Single-family to the east



Multifamily to the south



Multifamily to the west

Corcoran Gardens Apartments – 2.6 miles from Subject



Single-family home to the west



Healthcare facility to the east



Single-family home to the north



Multifamily use to the south

ADDENDUM I
NCHMA Certification and Checklist

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Section(s)
Executive Summary		
1	Executive Summary	I
Scope of Work		
2	Scope of Work	Transmittal Letter
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	II
4	Utilities (and utility sources) included in rent	II
5	Target market/population description	II
6	Project description including unit features and community amenities	II
7	Date of construction/preliminary completion	II
8	If rehabilitation, scope of work, existing rents, and existing vacancies	II
Location		
9	Concise description of the site and adjacent parcels	III
10	Site photos/maps	III
11	Map of community services	III
12	Site evaluation/neighborhood including visibility, accessibility, and crime	III
Market Area		
13	PMA description	III
14	PMA Map	III
Employment and Economy		
15	At-Place employment trends	V
16	Employment by sector	V
17	Unemployment rates	V
18	Area major employers/employment centers and proximity to site	V
19	Recent or planned employment expansions/reductions	V
Demographic Characteristics		
20	Population and household estimates and projections	IV
21	Area building permits	VI
22	Population and household characteristics including income, tenure, and size	IV
23	For senior or special needs projects, provide data specific to target market	IV
Competitive Environment		
24	Comparable property profiles and photos	VI
25	Map of comparable properties	VI
26	Existing rental housing evaluation including vacancy and rents	VI
27	Comparison of subject property to comparable properties	VI
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	VI
29	Rental communities under construction, approved, or proposed	VII
30	For senior or special needs populations, provide data specific to target market	VII

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Section(s)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	VIII
32	Affordability analysis with capture rate	VIII
33	Penetration rate analysis with capture rate	VIII
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	VIII
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	VI
36	Precise statement of key conclusions	I
37	Market strengths and weaknesses impacting project	I
38	Product recommendations and/or suggested modifications to subject	I
39	Discussion of subject property's impact on existing housing	VI
40	Discussion of risks or other mitigating circumstances impacting subject	I
41	Interviews with area housing stakeholders	VII
Other Requirements		
42	Certifications	Addenda F
43	Statement of qualifications	Addenda D
44	Sources of data not otherwise identified	Addenda B

Center St

Cedar St

Summary
532 Center Street

District: CBD
Lot Area: 0.77 acres / 33,650 sf
Res DU: 64

Unit Mix

	NSF	Decks	Units per Floor			T.Units	%	Total NSF	Beds
			Lvl 1	Lvl 2	Lvl 3				
1 BEDROOM						32	50%		32
Plan 1-1	533	65	1	2	2	5		2,665	
Plan 1-2	547	59	0	2	2	4		2,188	
Plan 1-3	553	42	7	8	8	23		12,719	
2 BEDROOM						13	20%		26
Plan 2-1	692	65	2	2	2	6		4,152	
Plan 2-2	702	65	2	2	2	6		4,212	
Plan 2-3	763	78	1	0	0	1		763	
3 BEDROOM						19	30%		57
Plan 3-1	1,027	78	3	8	8	19		19,513	

Total Res Units			16	24	24	64	100%	46,212	115
2-3 (MGR)	763	78	1			1		763	2
Total DU						65		46,975	117

Gross Bldg SF

	GSF
Commercial	2,400 SF
Leasing/Amenity	3,530 SF
Residential (includes circ / elec / trash / laundry / bike / decks)	67,648 SF
Total	73,578 SF



- Material Legend:**
1. Painted Stucco/Trim
 2. Accent Material/Siding
 3. Stone Veneer
 4. Vinyl Window
 5. Storefront Window
 6. Painted Metal Canopy
 7. Painted Metal Guardrail



1. EAST ELEVATION - CEDAR ST



2. SOUTH ELEVATION - PASEO

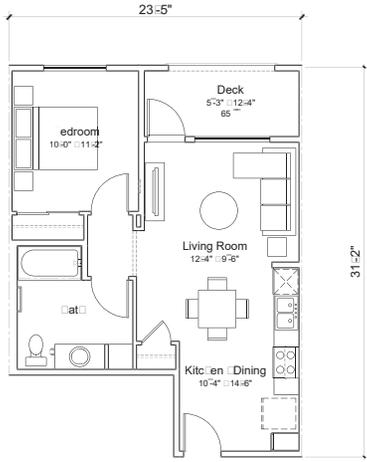
- Material Legend:**
1. Painted Stucco/Trim
 2. Accent Material/Siding
 3. Stone Veneer
 4. Vinyl Window
 5. Storefront Window
 6. Painted Metal Canopy
 7. Painted Metal Guardrail



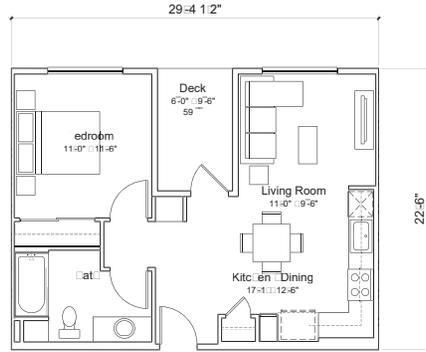
1. WEST ELEVATION - CENTER ST



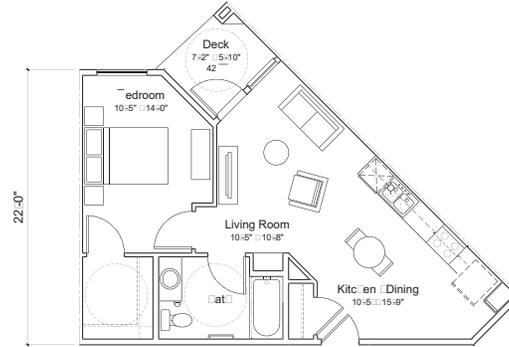
2. NORTH ELEVATION



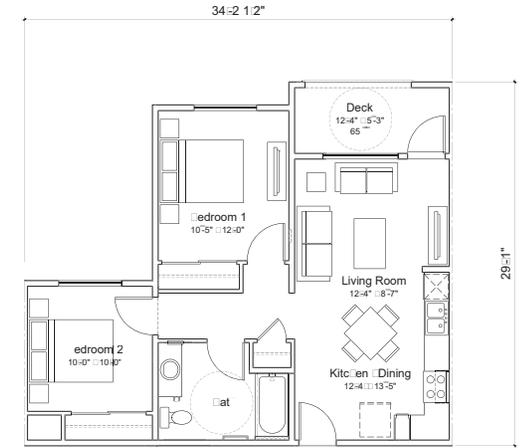
Plan 1-1
1 bedroom 1 bathroom
533 NS



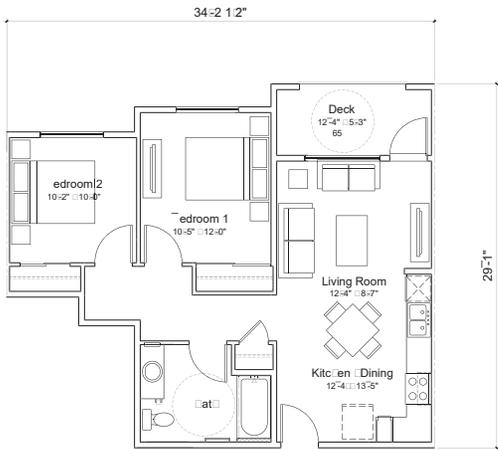
Plan 1-2
1 bedroom 1 bathroom
547 NS



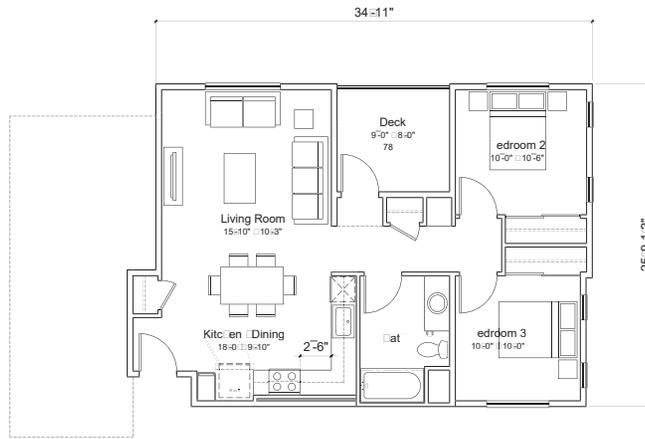
Plan 1-3 (11)
1 bedroom 1 bathroom
553 NS



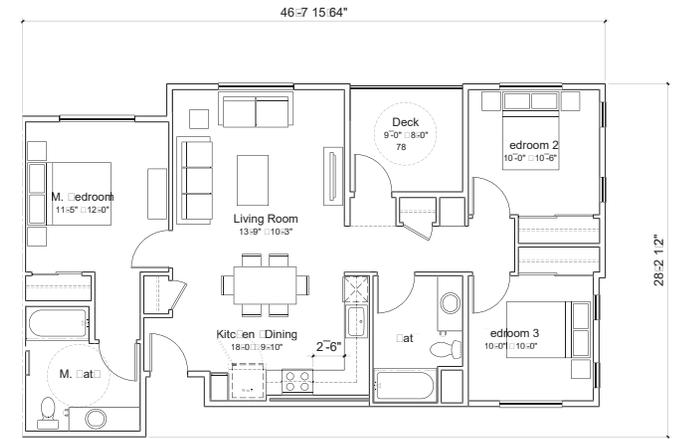
Plan 2-1 (11)
2 bedrooms 1 bathroom
692 NS



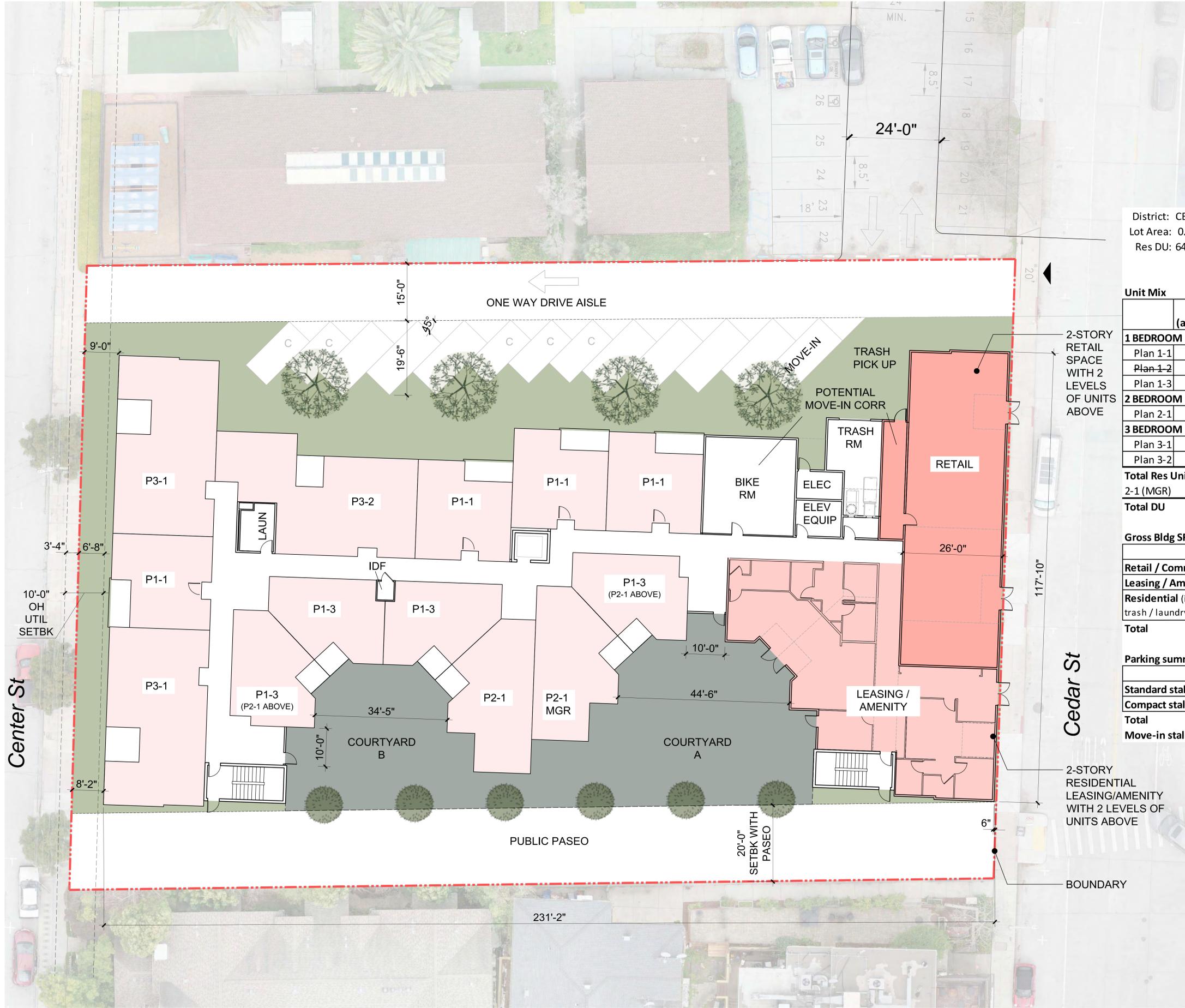
Plan 2-2 (11)
2 bedrooms 1 bathroom
702 NS



Plan 2-3
2 bedrooms 1 bathroom
763 NS



Plan 3-1 (11)
3 bedrooms 2 bathrooms
1027 NS



District: CBD
 Lot Area: 0.77 acres / 33,650 sf
 Res DU: 64

Unit Mix

	SF (approx)	Decks (approx)	Units per Floor					Total T.Units	Total %	Total SF	Beds
			Lvl 1	Lvl 2	Lvl 3	Lvl 4	T.Units				
1 BEDROOM							30	47%		30	
Plan 1-1	564	64	4	4	5	5	18		10,152		
Plan 1-2	628	56	0	0	0	0	0		0		
Plan 1-3	538	35	4	2	3	3	12		6,456		
2 BEDROOM							15	23%		30	
Plan 2-1	700	35	1	4	5	5	15		10,500		
3 BEDROOM							19	30%		57	
Plan 3-1	1,116	75	2	2	4	4	12		13,392		
Plan 3-2	1,168	54	1	2	2	2	7		8,176		
Total Res Units			12	14	19	19	64	100%	48,676	117	
2-1 (MGR)	700	35	1				1		700	2	
Total DU							65		49,376	119	

Gross Bldg SF

	GSF
Retail / Commercial	2,365 SF
Leasing / Amenity	2,610 SF
Residential (includes decks/ circ/ elec/ trash / laundry / center st lobby & bike)	66,915 SF
Total	71,890 SF

Parking summary (for church)

	Stalls
Standard stall (8'-6" x 19'-0")	7
Compact stall (7'-6" x 16'-0")	5
Total	12
Move-in stall (8'-6" x 19'-0")	1



Center St

Cedar St

ONE WAY DRIVE AISLE

RETAIL

MAIL LOBBY

LEASING

WORK

2-STORY RETAIL SPACE WITH 2 LEVELS OF UNITS ABOVE

2-STORY RESIDENTIAL LEASING/AMENITY WITH 2 LEVELS OF UNITS ABOVE

BOUNDARY



Architecture + Planning
17911 Von Karman Ave.
Suite 200
Irvine, CA 92614
949.851.2133
ktgy.com

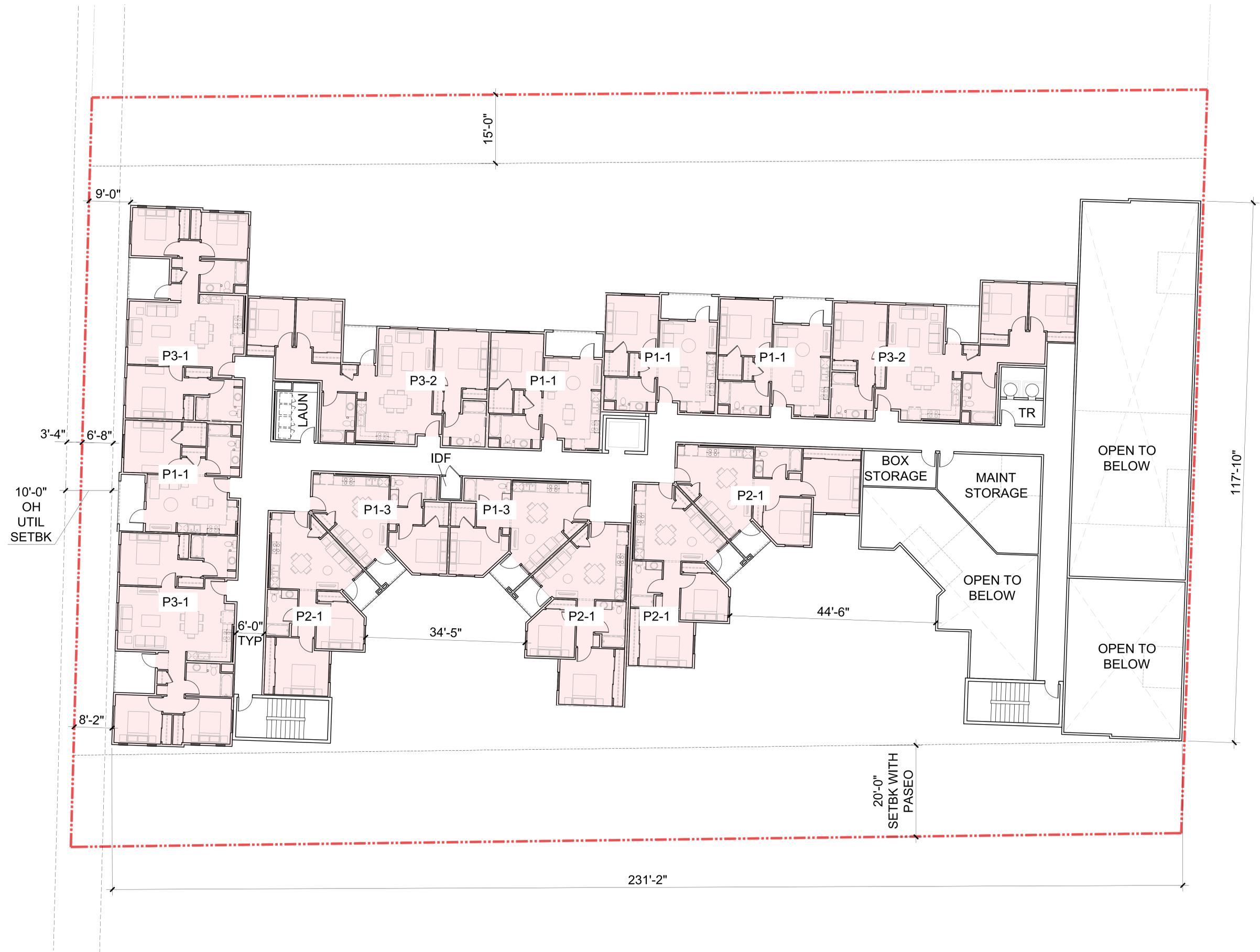
CEDAR STREET
SANTA CRUZ, CA # 2020-042

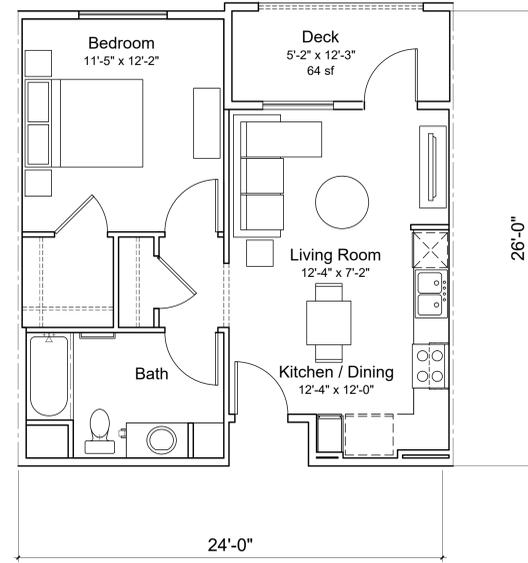
CONCEPTUAL DESIGN
NOVEMBER 29, 2021



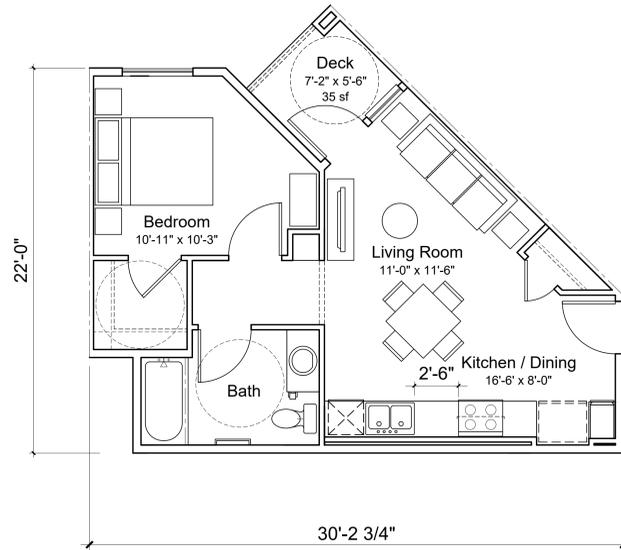
BUILDING PLAN
LEVEL 1

A1.1

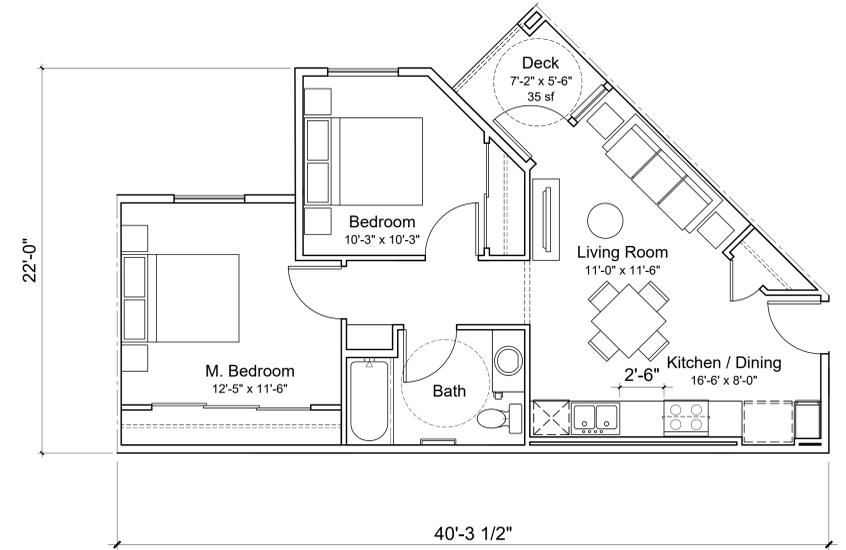




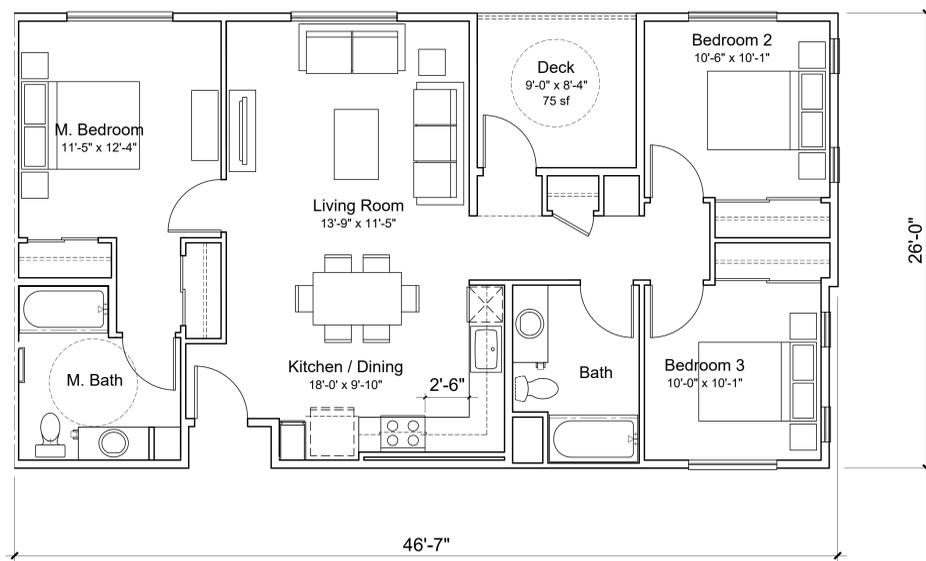
Plan 1-1
1 Bedroom / 1 Bathroom
564 SF



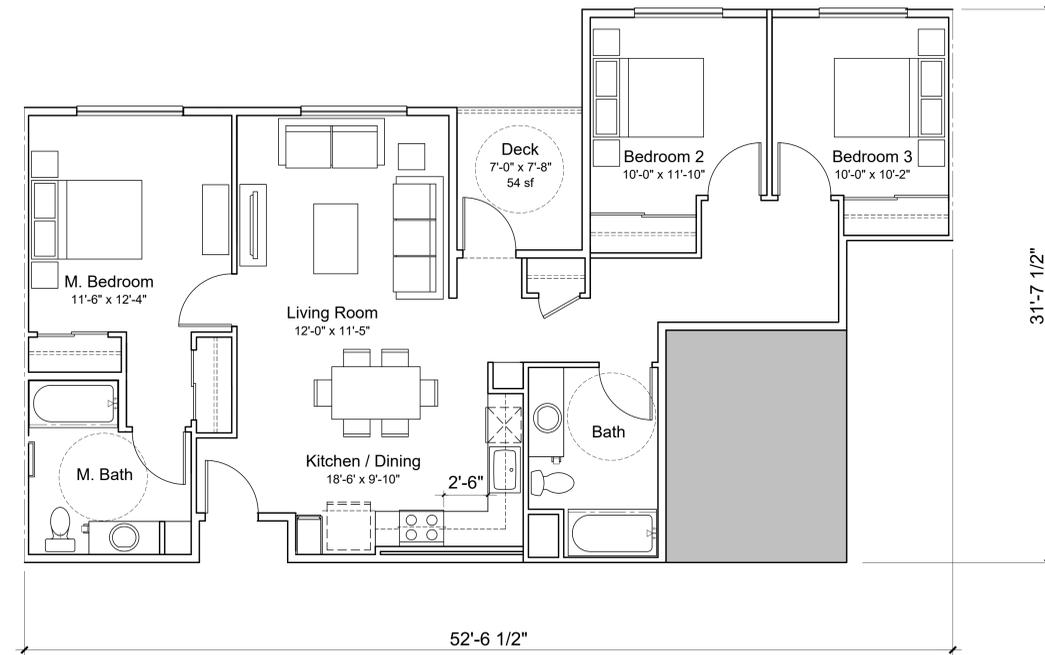
Plan 1-3(11B)
1 Bedroom / 1 Bathroom
538 SF



Plan 2-1(11B)
2 Bedroom / 1 Bathroom
700 SF



Plan 3-1 (11B)
3 Bedroom / 2 Bathroom
1116 SF



Plan 3-2 (11B)
3 Bedroom / 2 Bathroom
1168 SF



ATTACHMENT 4(A)
APPLICANT LARGE FAMILY ELIGIBILITY CERTIFICATION
 Regulation Section 10325(g)(1)(A) through (I)

<u>REQUIREMENTS</u>	<u>VERIFICATION</u> Provide a narrative explanation as to how each requirement is being met and reference where the proof is located in the application. Be as detailed as possible and attach a separate sheet if additional space is needed.
<p>A) For projects that receive land use entitlements on or after January 1, 2016, at least twenty-five percent (25%) of the Low-Income Units in the project shall be three-bedroom or larger units and at least an additional twenty-five percent (25%) of the Low-Income Units in the project shall be two-bedroom or larger units. For projects that received and provide documentation of land use entitlements before January 1, 2016, at least twenty-five percent (25%) of the Low-Income Units in the project shall be three-bedroom or larger units. For projects qualifying for and applying under the At-risk set-aside, the Executive Director may grant a waiver from this requirement if the applicant shows that it would be cost prohibitive to comply.</p>	
<p>B) One-bedroom Low-Income Units must include at least 450 square feet and two-bedroom Low-Income Units must include at least 700 square feet of living space. Three-bedroom Low-Income Units shall include at least 900 square feet and four-bedroom Low-Income Units shall include at least 1,100 square feet of living space, unless these restrictions conflict with the requirements of another governmental agency to which the project is subject to approval. These limits may be waived for rehabilitation projects, at the discretion of the Executive Director prior to the application submission. Bedrooms shall be large enough to accommodate two persons each and living areas shall be adequately sized to accommodate families based on two persons per bedroom.</p>	
<p>C) Four-bedroom and larger Low-Income Units shall have a minimum of two full bathrooms.</p>	
<p>D) The project shall provide play/recreational facilities suitable and available to all tenants, including children of all ages, except for small developments of 20 units or fewer. Play/recreational area for children ages 2-12 years shall be outdoors, and the minimum square footage is 600 square feet and must include an accessible entrance point. For projects with more than 100 total units this square footage shall be increased by 5 square feet for each additional unit. Outdoor play/recreational space must be equipped with reasonable play equipment for the size of the project, and the surface must be natural or synthetic protective material. The outdoor play area of an onsite day care center may qualify as a play area for children 2-12 years for purposes of this section if it is available to children when the day care center is not open. The application must demonstrate the availability of play or recreational facilities suitable for children ages 13-17. Square footage of a community building cannot be included for the play/recreational area for children ages 13-17 unless that square footage is accessible to minors at all times between 6 a.m. and 10 p.m. except when the area is reserved for service amenities or special events. Rehabilitation projects with existing outdoor play/recreational facilities</p>	

<u>REQUIREMENTS</u>	<u>VERIFICATION</u> Provide a narrative explanation as to how each requirement is being met and reference where the proof is located in the application. Be as detailed as possible and attach a separate sheet if additional space is needed.
<p>may request a waiver of the minimum square footage requirement if outdoor play/recreational facilities of a reasonable size and type currently exist onsite. An existing project without outdoor play/recreational facilities may request a waiver from this requirement if the site is classified as a non-conforming use under its respective current zoning designation and the addition of the new facilities would trigger an entitlement process. The written waiver must be approved prior to the application submission. The Executive Director, in her/his sole discretion may waive this requirement upon demonstration of nearby, readily accessible, recreational facilities.</p>	
<p>E) The project shall provide an appropriately sized common area. For purposes of this part common areas shall include all interior area amenity space, such as the rental office, community room, service space, computer labs, and gym, but shall not include laundry rooms or manager living units. Common areas shall meet the following size requirement: projects comprised of 30 or less total units, at least 600 square feet; projects from 31 to 60 total units, at least 1000 square feet; projects from 61 to 100 total units, at least 1400 square feet; projects over 100 total units, at least 1800 square feet. Small developments of 20 units or fewer are exempt from this requirement. At the discretion of the Executive Director, these limits may be waived for rehabilitation projects with existing common area prior to the application submission. An existing project without common area may request a waiver from this requirement if the site is classified as a nonconforming use under its respective current zoning designation and the addition of the new facilities would trigger an entitlement process.</p>	
<p>F) A public agency shall provide direct or indirect long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs.</p>	
<p>G) Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 10 units. This requirement shall be reduced by 25% for projects where all units include hook-ups for washers and dryers. To the extent that tenants will be charged for the use of central laundry facilities, washers and dryers must be excluded from eligible basis. If no centralized laundry facilities are provided, washers and dryers shall be provided in each unit.</p>	
<p>H) Dishwashers shall be provided in all Low-Income Units except for studio and SRO units. A waiver for one- and two-bedroom units in rehabilitation projects may be granted by the Executive Director due to planning or financial impracticality.</p>	
<p>I) Projects are subject to a minimum low-income use period of 55 years (50 years for projects located on tribal trust land).</p>	

WAIVER REQUESTED (please attach proof of waiver approval)

By signing the APPLICANT STATEMENT, I/We, who are authorized to legally act on the applicant's behalf, certify and guarantee, under penalty of perjury, that the project meets the Large Family Housing Type requirements consistent with TCAC Regulations Section 10325(g)(1).

PROJECT DESCRIPTION

PROJECT DESCRIPTION

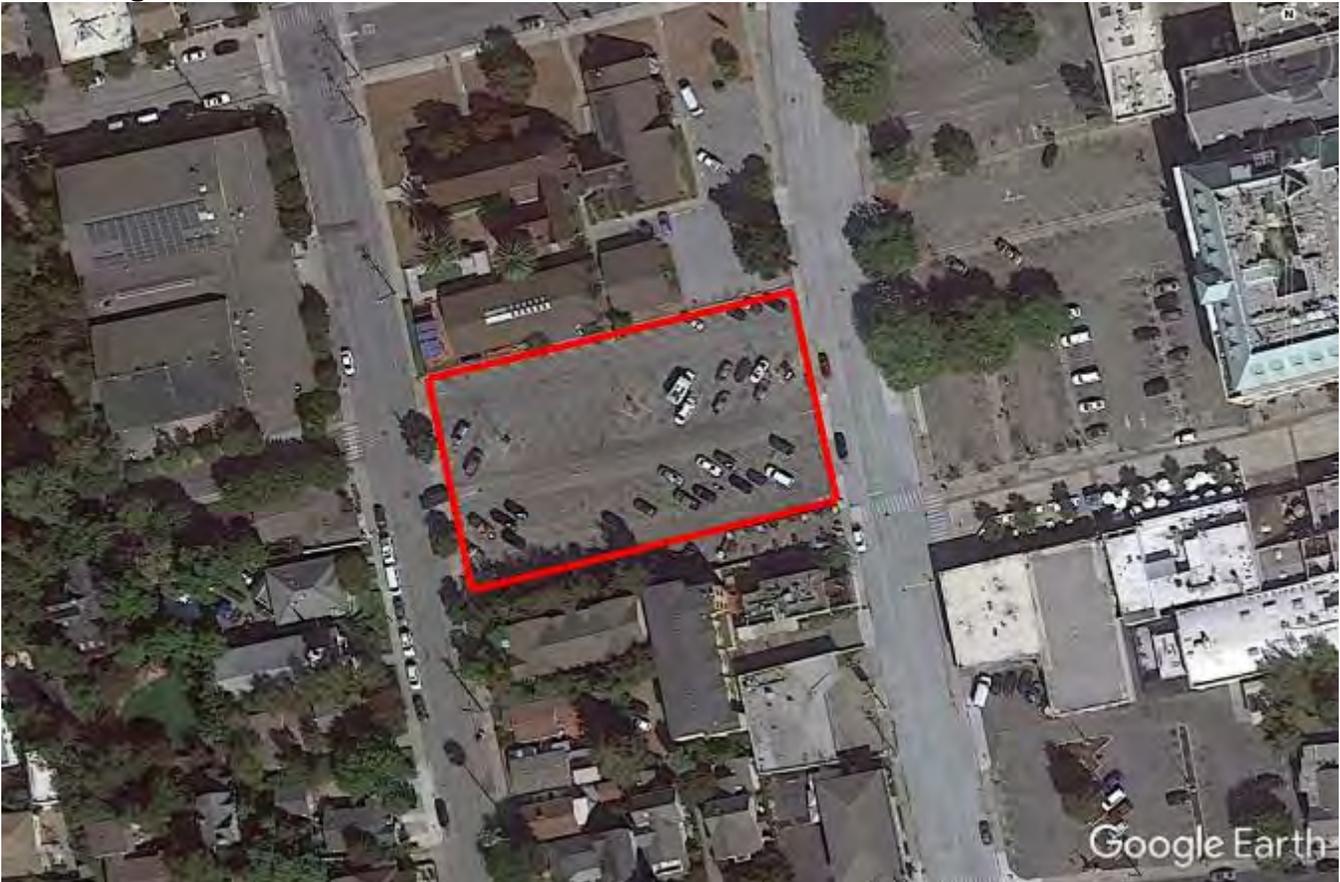
Our description of the Subject is based upon information provided by the sponsor and architect. We anticipate the information supplied is accurate.

Sponsor's Name: The sponsor is Milestone Housing Group, LLC.

Development Name: Cedar Street Family Apartments (Subject).

Site Location: This Subject is a proposed new construction LIHTC development located at 532 Center Street, in Santa Cruz, Santa Cruz County, California 95060. The Subject site is located within Census Tract 1010.00, which is a 2021 Qualified Census Tract.

Aerial Image:



Source: Google Earth, 6/2021

Size: The size of the Subject site is approximately 0.77 acres, or 33,650 square feet.

Zoning: According to the City of Santa Cruz Planning Department, the Subject site is zoned CBD (Central Business District). The CBD district allows for multifamily residential development, with a maximum density of 39.6 units per acre for studio and one-bedroom units, and 30.0 units per acre for all other bedroom types. Standard parking requirements

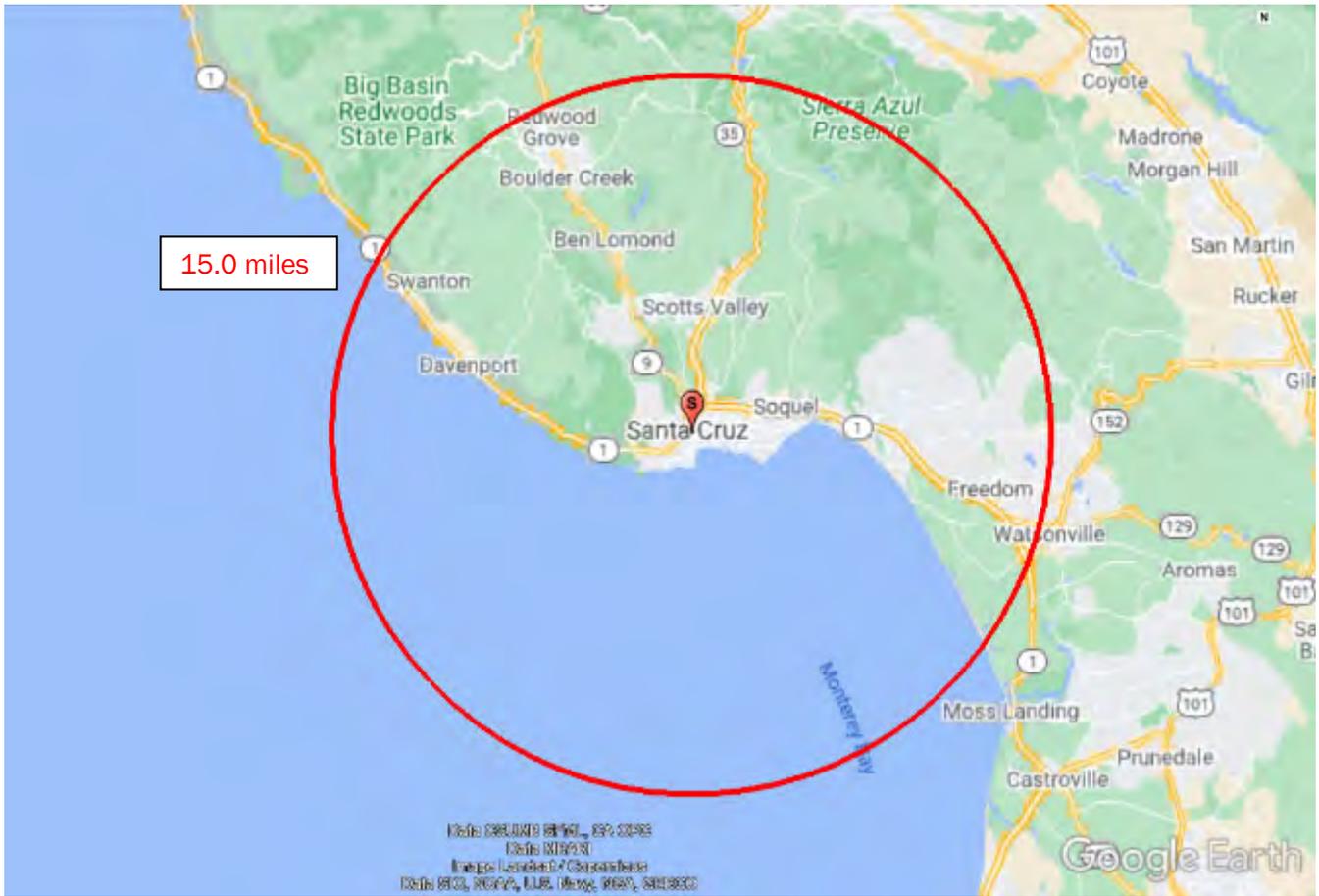
in the CBD district are 1.0 parking space per studio, 1.5 parking spaces per one-bedroom unit, and 2.0 parking spaces per two and three-bedroom unit. The Subject will be developed to a density of 84.4 units per acre and will not offer any on-site parking. However, according to the client, because the Subject offers all affordable units, and is located within 0.5 miles of public transportation, the Subject is eligible for a zoning variance, which will eliminate any parking requirements and allow for the proposed density. As such, we assume the Subject will be a legal and conforming use as proposed.

Contiguous Land Use/Zoning:

The Subject is located in Downtown Santa Cruz consisting of a variety of commercial/retail and civic uses, as well as residential uses. Land uses adjacent to the north of the Subject consist of a preschool and place of worship in good condition, followed by commercial/retail uses in good condition. Land uses adjacent to the east of the Subject consist of a parking lot, followed by commercial/retail uses in good condition. Further east is the San Lorenzo River. Land uses adjacent to the south of the Subject consist of commercial/retail uses, a condominium complex, and single-family homes, all in average condition. Land uses adjacent to the west of the Subject consist of single-family homes, commercial/retail uses, and a place of worship, all in average condition. Further west are additional single-family homes in average to good condition. Adjacent to the northwest of the Subject is the Boys & Girls Club of Santa Cruz County in average condition. Overall, land uses are in average to good condition. According to Zillow, the majority of single-family residences in the Subject's neighborhood are currently listed for sale between \$1,300,000 and \$3,000,000, the majority of which are in good to excellent condition. Additionally, the Subject has a Walk Score of 99, which is classified as a "Walker's Paradise."

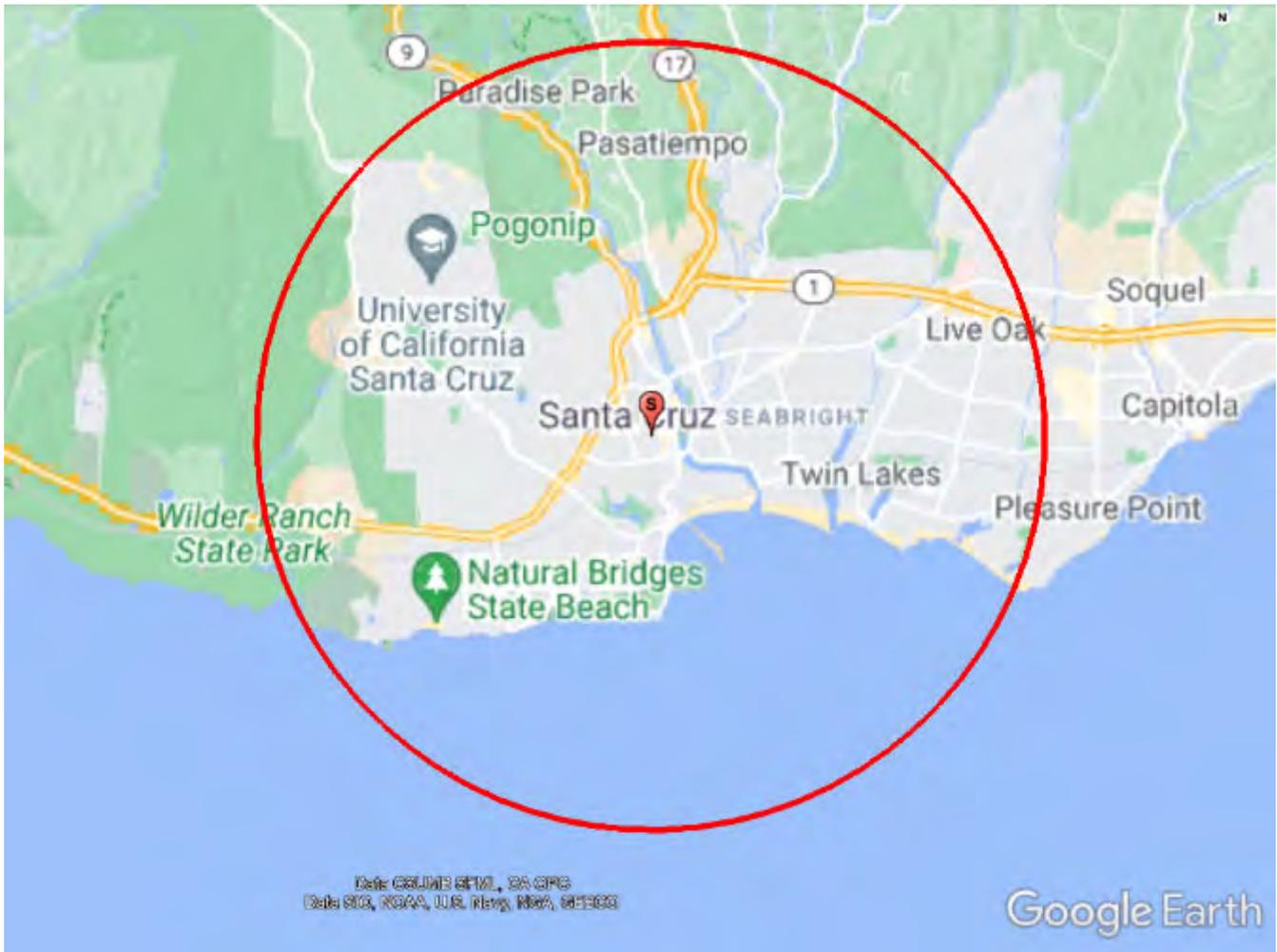
Land use to the north, east, and south of the Subject is zoned CBD (Central Business District). Land use to the west of the Subject is zoned RL (Multiple Residence Medium Rise).

Map of Subject Site I:



Source: Google Earth, June 2021

Map of Subject Site II:



Source: Google Earth, June 2021

Photographs of Subject Site and Street Views (Taken December 21, 2020)



View of Subject site facing northwest



View of Subject site facing east



View of Subject site facing south



View of Subject site facing west



View south along Cedar Street



View northeast along Cedar Street



View south along Center Street



View north along Center Street

Unit Mix:

The Subject will offer 64 one, two, and three-bedroom rental units restricted to family households earning 30, 50, and 60 percent of the area median income (AMI) or below, in addition to one non-rental manager's unit. Note that 16 units at 30 percent of AMI will be reserved as Permanent Supportive Housing (PSH), targeting a homeless tenancy. Eight of the units will operate with Project-based Vouchers (PBV) through the Santa Cruz Housing Authority. The remaining eight units will have rents offset through capitalized rent reserve, and tenants in these units will pay 30 percent of their income towards rent. The Subject's developer has provided unit sizes, which are listed below, along with the proposed Subject rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	2021 HUD Fair Market Rents
@30%							
3BR / 2BA	1,000	4	\$1,030	\$54	\$1,084	\$1,084	\$3,947
@30% (Permanent Supportive Housing)*							
1BR / 1BA	600	12	\$741	\$40	\$781	\$781	\$2,292
2BR / 1BA	835	4	\$887	\$51	\$938	\$938	\$3,021
@50%							
1BR / 1BA	600	7	\$1,263	\$40	\$1,303	\$1,303	\$2,292
2BR / 1BA	835	3	\$1,512	\$51	\$1,563	\$1,563	\$3,021
3BR / 2BA	1,000	5	\$1,753	\$54	\$1,807	\$1,807	\$3,947
@60%							
1BR / 1BA	600	13	\$1,523	\$40	\$1,563	\$1,563	\$2,292
2BR / 1BA	835	6	\$1,825	\$51	\$1,876	\$1,876	\$3,021
3BR / 2BA	1,000	10	\$2,115	\$54	\$2,169	\$2,169	\$3,947
<i>Non-Rental</i>							
1BR / 1BA	600	1	N/A	N/A	N/A	N/A	\$2,292
		65					

Notes (1) Source of Utility Allowance provided by the Developer, based on the Santa Cruz Housing Authority Utility Allowance dated January 1, 2021

*Eight of the PSH units will operate with PBV through the Santa Cruz Housing Authority; the remaining eight units will have rents offset through capitalized rent reserve, and tenants will pay 30 percent of their income towards rent.

Target Population and Occupancy Type:

The Subject is a proposed affordable development that will target low-income households earning 30, 50, and 60 percent (or below) of AMI. With exception of the one manager's unit, all of the Subject's rental units will be affordable units targeted to income-qualified households, with incomes ranging from \$0 to \$96,780. Absent subsidy, the minimum income is \$23,430.

New Construction or Rehabilitation:

The project will be new construction.

Date of Construction:

The developer anticipates beginning construction in April 2022 with an expected completion date of November 2023.

Utility Structure:

Tenants will be responsible for electric cooking and heating, electric water heating, and general electric expenses including air conditioning. The landlord will pay for all common area utilities as well as cold water, sewer, and trash expenses. According to the client, the Subject will have a project-specific utility allowance schedule. The comparable properties have been adjusted based on the Housing Authority of the County of Santa Cruz's Utility Allowance Schedule, effective January 1, 2021. A copy of the utility allowance schedule is included in *Addendum D*.

Construction Details: The Subject will be the new construction of a three-story lowrise residential building. The building will have a wood frame, concrete foundation, stucco exterior, and a flat roof. We have reviewed the most recent architectural plans from KTG Architecture and Planning, dated November 6, 2020, which were provided by the developer. A copy is included in *Addendum E*.

Proposed Unit Amenities: The Subject's unit amenities will include blinds, carpeting and vinyl flooring, and coat closets. Appliances will include a stove/oven, refrigerator, dishwasher, and garbage disposal. Additionally, some units will include a patio/balcony.

Proposed Development Amenities: The Subject's common area amenities will include a community room, courtyard, exercise facility, central laundry, on-site management, picnic area, playground, and recreation area. The Subject will also offer limited access and an intercom system as security features.

The Subject will include approximately 5,000 square feet of ground floor commercial space; however, the commercial space has not been analyzed as part of this report.

Parking: The Subject will not offer any on-site parking. However, the Subject is located in close proximity to public transportation. As such, we believe the lack of on-site parking will not be an issue.

Current Occupancy Levels, Rents, Tenant Incomes: The Subject will be new construction.

Conclusion: The Subject will consist of a new construction 65-unit LIHTC development targeting the general population. Of the 65 units, 64 will be restricted to households earning 30, 50, and 60 percent of the AMI or below. Note that there will be 16 units at 30 percent of AMI will be reserved as Permanent Supportive Housing (PSH), targeting a homeless tenancy. Eight of the units will operate with Project-based Vouchers (PBV) through the Santa Cruz Housing Authority. The remaining eight units will have rents offset through capitalized rent reserve, and tenants in these units will pay 30 percent of their income towards rent. The remaining unit will be a non-rental manager's unit.



ATTACHMENT 24
Service Amenities Checklist

All Applications

Services to be provided:

- Service Coordinator
 - Other Services Specialist
 - Instructor-led adult educational, health and wellness or skill building classes
 - Health and wellness services and programs.
 - Licensed child care
 - After school program for school age children
 - Case Manager
 - Health or behavioral health services provided by appropriately-licensed organization or individual
- Include position descriptions for any of the following:
- Service Coordinator
 - Other Service Specialist (describe the type of specialist service or counselor)
 - Case Manager
- Include a written commitment from the service provider. Documentation must take the form of a contract for services, Memorandum of Understanding (MOU), or commitment letter on agency letterhead. Commitments service providers must:
- state the name and address of the organization or entity that will provide the services;
 - state the name of the project to which the services are being committed;
 - describe the services to be provided (not simply a general statement of the service categories outlined in the TCAC regulations); and
 - state the number of hours services will be provided (with FTE staffing, if applicable).
 - commit that services will be available to tenants of the project free of charge (except for child care services or other charges required by law);



Tax Credit Allocation Committee

- Complete the Service Amenities Budget (within TCAC Excel application)
The application's Service Amenities Sources and Uses Budget must clearly describe all anticipated income and expenses associated with the services program(s) and must align with the services commitments provided (i.e. contracts, MOUs, letters, etc.). Applications shall receive points for services only if the proposed Services Budget adequately accounts for the level of service. The budgeted amount(s) must be reasonably expected to cover the costs of the proposed level of service(s). If project operating income will fund service amenities, the application's Service Amenities Sources and Uses Budget must be consistent with the application's fifteen year pro forma. Services costs contained in the project's pro forma operating budget do not count towards meeting TCAC's minimum operating expense requirements.

- Complete the Service Provider Experience Chart (see page 3)

- Provide evidence that adequate physical space for services is provided on-site, inside the project, and provides sufficient square footage, accessibility and privacy to accommodate the proposed services. If services are located off-site, provide a scaled distance map evidencing the off-site service is within ½ mile of the development (1 ½ miles for Rural set-aside projects) and acknowledgment or documentation of the services from the service provider the off-site location.

Scattered Sites

- An application proposing a project located on multiple scattered sites is scored proportionately in the service amenities category based upon (i) each site's score, and (ii) the percentage of units represented by each site.

Special Needs Projects

- A special needs project with less than 75% special needs units is scored proportionately in the service amenity category based upon (i) the services provided to special needs and non-special needs units, respectively; and (ii) the percentage of units represented by special needs and non-special needs units, respectively.

- A special needs project with 75% or more but less than 100% special needs units must demonstrate that all tenants will receive an appropriate level of services.

By signing the APPLICANT STATEMENT, I/ We, who are authorized to legally act on the applicant's behalf, certify and guarantee, under penalty of perjury, that services provided, as requested, will be available within 6 months of the project's placed-in-service date, of a regular and ongoing nature, and provided to tenants for period of at least 15 years, free of charge (except for day care services or any charges required by law), and are not being delivered by the on-site Property Manager or other property management staff consistent with TCAC Regulations Section 10325(c)(4)(B).



Tax Credit Allocation Committee

**ATTACHMENT 24
Service Provider Experience Chart**

Each service provider that will be providing services for which the applicant is claiming service amenities points must have at least 24 months experience in the successful provision of services to at least one of the project's target populations. Please provide information on the experience of each service provider in the table below. Note that a Service Provider must be an organization. Experience of individuals may not substitute for organizational experience.

Complete one row for each service provider. Add additional lines as needed.

Name and Address of Organization Providing Services	Description of Services Organization Has Provided (To meet 24 month minimum)	Target Population to Whom Services Were Provided	Dates Services Were Provided	Number of Unduplicated Clients Served in the Most Recent Year Services Were Provided	Name, Title and Phone Number of Person Who Can Provide a Reference Regarding the Services Provided (may not be affiliated with service provider)
Pacific Housing, Inc. 2115 J Street, Suite 201 Sacramento, CA 95816	See Attached	See Attached	2000 to Present	2020 - 10,000	Erin Caputo ROEM Development Director of Asset Management 1650 Lafayette Street Santa Clara, CA 95050 408-964-5600 x 17



Pacific Housing Inc.

Overview

Pacific Housing, Inc., (PHI) is a nonprofit organization (501(c)(3)) with the mission of *providing quality affordable housing and uplifting services for residents at its apartment communities across California*. PHI has a portfolio of over 17,000 rental housing units with a majority of those reserved for lower income families or seniors. In addition to serving as the Managing General Partner in the ownership of over 120 affordable rental housing developments, PHI offers services and programs to its residents that enrich lives and build toward self-sufficiency.

PHI has over 20 years' experience working with federal, state and regional funding and planning agencies, in addition to local constituents, to pursue the development of affordable housing projects. Additionally, Pacific Housing's resident services team has over 15 years' experience working closely with property managers, community resources and resident groups to create service programs that meet the unique interests and needs of each individual property and its residents.

Resident Services generally take place in the Clubhouse or within the apartment community and are provided by Pacific Housing's team of resident service specialists and professionals. Throughout its network of partner communities, PHI offers a broad variety of resident programs and services.

Pacific Housing's goal is an affordable housing community that positively interacts with its surrounding neighborhoods, is well-designed and maintained, and provides its residents with opportunities for a healthy, empowering and fun living experience.



Pacific Housing Inc.

Resident Service Program Implementation Plan

Pacific Housing, Inc. is committed to ensuring that all residents at our sites have the opportunity to participate in quality resident service programs that can enrich their lives and enhance their potential for success. Pacific Housing, Inc. (PHI) has seen tremendous growth in the number of residents participating in programs and services. We attribute this primarily to effective resident outreach and appropriate programming.

The Pacific Housing approach to quality, affordable resident service delivery is mission-driven and comprised of three effective components: understanding the needs of the residents, knowing what resources are available in the community, and meeting the needs of the residents at each unique facility. Enveloped around this approach is an effective monitoring system that ensures quality program delivery and assists in maintaining a flourishing apartment community.

“Understanding the Needs of the Residents” – The initial step in quality program delivery is gaining an understanding of current resident services, resident demographics, known needs of the residents, and known local service providers. This information is typically gathered via a meeting with on-site management staff and is used to create a resident survey. The surveys are distributed by on-site staff to each unit and residents may respond anonymously if they wish. A resident meeting is planned after the survey deadline to introduce the resident services team members, the planned programs and to garner additional feedback from the residents.

“Making Use of Available Resources in the Community” – Resident Services (RS) team members are continually trained on the counseling and referral of residents to the various resources that may be available in the community. In this age of shrinking social service agency budgets and diminished resources in the nonprofit sector, PHI RS Team keep up to date on which agency can help and can upon request provide accurate information to their residents. Another aspect is the process of maintaining partnerships with various community-based organizations and agencies to inform them of any pockets of need within an apartment community and to encourage collaborative assistance.

“Meeting the Resident Needs” – Critical to achieving strong resident participation and ensuring maximum impact is providing the right resident service program to the right people at the right time. Program content is carefully designed to meet the needs of its target audience (kids’ afterschool, teen socials, adult employment, etc.) Experts are engaged where appropriate (yoga, ESL) to facilitate programs that require specialized skills.

Monitoring system – Pacific Housing utilizes a variety of approaches in overseeing program utilization and evaluating effective service delivery. The RS Program Manager and the site’s Resident Services Specialist speak directly to residents during individual or all-resident meetings and perform regular follow-ups with property management staff. Participation statistics are maintained by the RS Team and completion/graduation data are documented. Participation and completion data are certified monthly by



Pacific Housing Inc.

both the site's property manager and the RS Team, and are compiled at the corporate office to assist in gauging program and service effectiveness across regions, demographics and programs. Many of these compiled reports are sent to regulatory agencies and/or investor groups to share the many successes at our facilities.

Resident Services Team - RS employees are recruited, carefully screened and matched with the right site for their skills and experience. Ongoing training on current topics such as mandatory reporting, employability skills, health, event planning, conflict resolution, community resources, substance abuse prevention, teen social issues, etc., help to maintain high quality programming and personal satisfaction among the employees thereby reducing turnover and fostering long-term familiarity with an apartment community and its residents.

This Resident Service Program Implementation Plan assists PHI in our endeavors to provide quality resident services to our lower income families and senior residents throughout California.



Pacific Housing Inc.

Resident Service Programs

ASC (After School Connect)

ASC Program (After School Connect) (ages 7 to 12) includes but not limited to tutoring, mentoring, homework assistance, music and art appreciation, arts and crafts, outdoor games and sports, cooking and nutritional education, pen pals and letter-writing skills, etiquette and social skill development and confidence building exercises. Program provided week days throughout the school year.

LOL (Living Out Loud)

LOL Teen Program (Living Out Loud) (ages 13 to 17) includes but not limited to homework assistance, leadership development, community awareness, recreation, social skill development, and healthy lifestyles.

The Learning Curve

The Learning Curve instructor led Adult Education, Health and Wellness or skill building classes. Includes but not limited to financial literacy, computer training, home-buyer education, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation.

SALT (Senior Adults Living Triumphantly)

SALT Program (Senior Adults Living Triumphantly) a variety of enrichment activities and promote health social interaction between the residents. Workshops topics include health and nutritional advice, food preparation, and physical wellbeing.

Service Coordinator

PHI Service Coordination allows our RSS to work individually with residents through the use of a needs assessment/survey to determine their needs and how we can assist them. We provide our residents with information about available services in the community such as utility discounts, clothing, food assistance, and help residents in accessing those services through advocacy.



QUALITY

AFFORDABLE

HOUSING



and
RESIDENT SERVICES



A California Non-Profit Benefit Corporation
pacifichousing.org

DEDICATED



CARING



Pacific Housing, Inc. (PHI) is a 501(c)(3) public benefit corporation dedicated to serving lower-income California families and seniors with affordable housing and uplifting programs. Since 1998, Pacific Housing has been an integral co-developer in affordable housing communities throughout California. PHI's managing general partner portfolio is comprised of over 120 affordable housing communities totaling approximately 17,000 apartment units. We have recently enhanced our mission to include emphasis on the development of single-family home communities for the lower income population.



PHI finances its development objectives with a variety of affordable housing finance programs. PHI utilizes bond financing through applications submitted to the California Debt Limit Allocation Committee and affordable housing tax credits applied through the California Tax Credit Allocation Committee to generate and secure equity capital. PHI makes applications to and on behalf of local Housing and Redevelopment Agencies to secure Multifamily Mortgage Revenue Bonds, HOME funds, and other available housing finance programs.

FUN



OUR MISSION

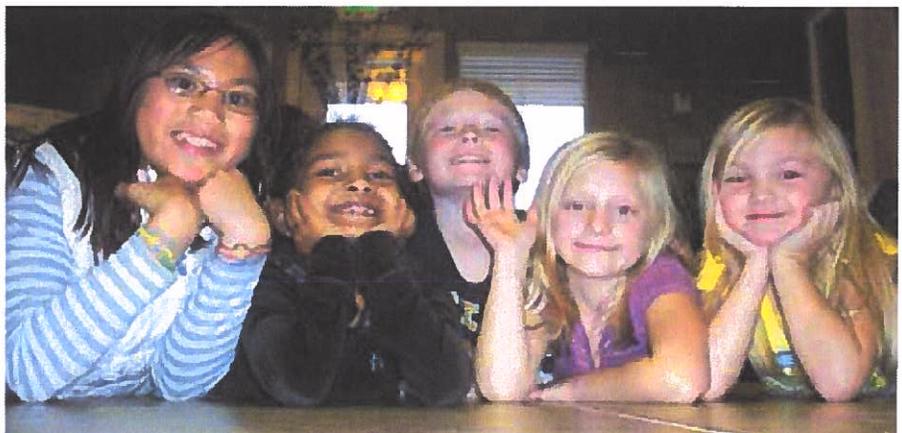
“advocate and promote the development of quality affordable housing, affordable housing programs, and quality resident services ”

EMPOWERING

OUR RESIDENT SERVICE PROGRAMS

- **After School Connect (ASC)**
Engages community youth 7 to 12 in a shared environment where homework assistance, art appreciation, outdoor recreation, letter-writing, social development, and confidence building happens.
- **Living Out Loud (LOL)**
Engages community youth 13 to 17 in a shared environment where social skills, leadership development , community awareness, recreation, and healthy lifestyles are explored.
- **The Learning Curve**
Provides educational opportunities for the community adults lead by our Service Specialists
- **Senior Adults Living Triumphantly (SALT)**
Promotes a variety of enrichment activities, provides need based educational topics and encourages social interaction between the residents of our senior communities.
- **Service Coordination**
Allows our Service Specialist to work individually with residents through a process of needs assessment and refers the resident to supportive services.

WELLNESS





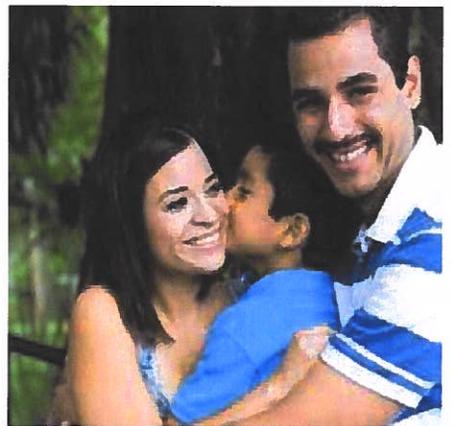
Portfolio

Communities: 120

Housing Units: 17,000

Approx. Residents: 45,000

EXPERIENCE



BOARD OF DIRECTORS

Mark A. Wiese, President

Scott Sadler, Secretary

Matt Jaime, Director

William Coyle, Director

Elizabeth Watson, Director

Faith Conley, Director

PACIFIC HOUSING, INC.

2115 J Street, Suite 201

Sacramento, CA 95816

916.638.5200

pacifichousing.org

Tab 12: Narrative/Proposal For Supportive Housing Component

Project Based Voucher Application - Updated June 28, 2021

538 Cedar Street, Santa Cruz, CA

See attached draft site plan which shows 64 affordable units. The site plan is still in the design phase and the unit count may increase slightly by 2-3 units. 25% of the units will be reserved for Supportive Housing (16-17 units). This project is requesting eight (8) project-based Section 8 housing vouchers for a portion of the project's supportive housing units.

The PBV units will be reserved for individuals with incomes at or below 30% of the Santa Cruz County area median income. The remaining project units will serve households at income levels between 30% and 60% of area median income. This project will create new affordable housing opportunities on a church owned parking lot.

The development team has selected the John Stewart Company to provide property management services. This firm has extensive experience with supportive housing, including multiple projects under management in the Santa Cruz and South Bay Area region. We will leverage their experience and relationships to insure the tenants have access to high quality resident services.

This project will provide housing opportunities for hard to house populations, including homeless veterans, persons with disabilities, homeless youth, homeless families with minor children, seniors and other formerly homeless persons and families in approximately 16 of the project's units. Residents will reside in the PBV units along with other project units.

In terms of specific target populations, we plan to target homeless veterans and veterans at risk of homelessness through the HUD-VASH program. We plan to identify the remaining supportive housing tenants through the Disabled and Medically Vulnerable (DMV) Program and supplement any additional supportive housing tenants needed with Housing Matters' "SmartPath" program.

If the HA agrees, we may also be able to take homeless referrals from other Agencies for those not on the HA waitlist, and have the HA approve a PBV rent subsidy if they are qualified. That would need advance HA approval and could also be a secondary preference if the HA does not make homeless referrals.

For the non-PBV units we will work with the various public agencies in Santa Cruz including Housing Matters, Encompass Community Services, and the Rebele Family Shelter to assist with the community outreach for the initial and any subsequent waitlist openings.

The project-based units will further the goals of de-concentrating poverty and expanding housing opportunities for lower income households in the center of downtown Santa Cruz. Santa Cruz is a high rent market with few opportunities for lower income residents that is increasing being urbanized and gentrified.

The site location is two blocks from a transit station, and one block from the main retail downtown artery of Pacific Avenue.

The general partner is Pacific Housing Inc., a non-profit developer is a 501 (c)(3) public benefit corporation (non-profit organization) dedicated to serving lower-income California families and seniors

with affordable housing and uplifting programs. Since 1998, Pacific Housing has been an integral codeveloper in affordable housing communities throughout California. Pacific Housing's managing general partner portfolio is comprised of over 100 affordable housing communities totaling approximately 16,000 apartment homes. In Santa Cruz it is the developer of Riverwalk Apartments – 110 Lindberg Street, Santa Cruz – 21 units and the Water Street Apartments – 708 Water Street, Santa Cruz – 41 units.

Another of the partners is composed of principals who built, own and manage 1010 Pacific Apartments which has 23 affordable units located one and half blocks away. They also are part owners of Pacific Shores Apartments located 3 miles away which has 83 affordable units which they also built, own and manage.

The City of Santa Cruz City Council has voted to allow the project to proceed under AB2162. The project applicant intends to apply for Fire Disaster Credits in July 2021 with the goal of commencing construction in 2022.

Contact: Christopher Garwood at cggxvi@gmail.com

Matt Tunney at matt@pacunionpartners.com

Cedar Street Family Apartment

Tab 12

Description of Surrounding Land Uses and Proximity to Services

North: Land use to the immediate north of the site on Cedar street consists of a mix of single-family homes and a church.

South: To the immediate south of the site across Center Street is a city parking lot which is in the planning stages for a new city library, affordable housing and structured parking lot project.

East: To the immediate west of the site are an apartment building and a small restaurant.

West: To the immediate east of the site is the Calvary Episcopal Church.

Proximity to Services: The site is in the core downtown of Santa Cruz, one block from Pacific Avenue, the retail and restaurant heart of the City. It is two blocks from the downtown Metro transit hub, which is the main bus terminal in the City.



US Social Security Administration

Estrella Collective

Skin and Lash by Sarah

Boys & Girls Clubs of Santa Cruz County

Calvary Episcopal Church

Calvary Food Pantry - Food Distribution Center

Calvary Church Parking Lot

516 Center St

Progressive Missionary Baptist Church

515 Kitchen & Cocktails

Lupulo Craft Beer House

Pacific Dry Cleaners

Tea House Spa

Elm Street Mission

Image Landsat / Copernicus

Google Earth

1985

36°58'12.09" N 122°01'08.45" W elev 14 ft eye alt 347 ft



City Council AGENDA REPORT

DATE: 01/21/2021

AGENDA OF: 01/26/2021

DEPARTMENT: Planning and Community Development

SUBJECT: AB 2162 Affordable, Supportive Housing Projects – Increase in the Number of Units Allowed as a Use by Right (PL)

RECOMMENDATION: Resolution establishing a policy that authorizes an increase in the 50-unit use-by-right limit to a limit of 75 units for one specified project and 120 units for another specified project of affordable, supportive housing developments that comply with requirements set in California State Assembly Bill 2162.

BACKGROUND: The State of California supports the development of affordable housing, especially for lower-income and housing-insecure persons. As part of this support, the State Legislature passed Assembly Bill 2162 (AB 2162), signed into law by Governor Newsom in 2018, amending Government Code Section 65583 and adding Article 11 (commencing with Section 65650) to Chapter 3 of Division 1 of Title 7 of the Government Code, relating to land use. This bill requires the streamlining of supportive housing by requiring approval of such projects by right in zones where multi-family housing and mixed-use development is permitted (See Attachment 2 – Assembly Bill 2162 Text).

A qualifying supportive housing project is defined as 100% of the units being affordable to lower income levels only and includes at least 25 percent of the units in the development or 12 units, whichever is greater, for residents in supportive housing who meet criteria of the “target population” (defined below). If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers’ units, in the development shall be restricted to residents in supportive housing. Lower income levels refer only to the State-defined Extremely Low, Very Low, and Low levels and do not include the Moderate income level.

A target population means persons, including persons with disabilities and families who are “homeless,” as that term is defined by Section 11302 of Title 42 of the United States Code, or who are “homeless youth,” as that term is defined by paragraph (2) of subdivision (e) of Section 12957 of the Government Code. Individuals and families currently residing in supportive housing also meet the definition of target population if the individual or family was homeless when approved for tenancy in the supportive housing project in which they currently reside.

Under AB 2162, supportive housing’s “use by right” means it does not require discretionary review, including use permits. The bill allows the City to determine if a Design Permit is required and if design review is needed. AB 2162 states that even when a Design Permit is required, supportive housing would not require environmental review. As part of this bill and

through other legislation (AB 1763), an additional incentive is provided to build supportive housing in well-served urban areas in that no on-site parking is required for the residential component of buildings if the development is within ½ mile of a public transit stop.

Finally, AB 2162 stipulates:

“If the proposed housing development is located within a city with a population of fewer than 200,000 or the unincorporated area of a county with a population of fewer than 200,000, and the city or the unincorporated area of the county has a population of persons experiencing homelessness of 1,500 or fewer, according to the most recently published homeless point-in-time-count, the development, in addition to the requirements of subdivision (a), shall consist of 50 units or fewer to be a use by right pursuant to this article. A city or county described in this subdivision may develop a policy to approve as a use by right proposed housing developments with a limit higher than 50 units.”

The City’s most recent homeless population point-in-time-count was performed in 2019 and counted 1,197 homeless individuals - near the 1,500-person threshold but not over it. Since Santa Cruz is within the thresholds, the State requirement for use by right supportive housing is 50 or fewer units. However, the bill allows for a City to develop a policy to approve a use by right limit greater than 50 units.

August 25, 2020 Council Hearing

A policy to allow three specific supportive housing projects over 50 units to receive the AB 2162 by right process was approved by City Council on August 25, 2020. The three projects were New Way Homes at 115 Coral Street, Pacific Station South (818-822 Pacific Avenue and 325 Front Street), and 314 Jessie Street. Of these three projects, only one project (Pacific Station South) now intends to utilize that policy. The New Way Homes project opted to continue with the standard hearing body process, and 314 Jessie Street decided to remain at 50 units so it does not need a unit increase policy.

The policy also included a Design Permit process for qualifying, privately-owned AB 2162 projects, as allowed under the legislation. It was determined that for properties where the City owns all or part of the land, a Design Permit would not be required because the City is in a position where it already has greater control over the development outcomes. The City has an ability to dictate project characteristics such as site design or building materials and the City can ensure that environmental protections are incorporated into the project. The publicly-owned projects would be approved ministerially, solely through a building permit under the previously-approved policy.

However, for projects on private property, the previously-approved policy dictated that a Design Permit is required, because in these instances, the City’s ability to influence project design through solely a ministerial building permit is less certain. A Design Permit offers a process that not only gives the City an opportunity to ensure high quality site and building design, but it also provides an opportunity to apply conditions of approval that could be more challenging to achieve solely through a ministerial permit, such as standard mitigation measures like tree replacement conditions. While AB 2162 states that CEQA cannot apply to the Design Permit process, standard measures could still be included as conditions on the Design Permit. Additionally, Council also approved the requirement that an AB 2162 project requiring a Design Permit also be required to hold at least one community meeting as part of the design review

process. This type of AB 2162 project needing a Design Permit would be approved administratively under the previously-approved policy.

Since the August 25, 2020 Council meeting, two new supportive housing projects over 50 units have asked the City for a policy allowing them to use an AB 2162 by right process.

DISCUSSION: The City of Santa Cruz supports the production of affordable housing. While increased housing of all types is needed throughout the City, housing for the City’s lowest income and most vulnerable populations remains the scarcest. Based on the State’s most recent Regional Housing Needs Allocation (RHNA) numbers, Santa Cruz is meeting its affordable housing production requirements at all affordability levels except Very Low Income. Per AB 2162 definitions, supportive housing is allowed only for lower income individuals and requires a certain amount of units for housing people that are homeless. As stated in Section 50675.14 of the Health and Safety Code: “‘Supportive housing’ means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.” Supportive housing development as a use by right in certain zoning districts streamlines the development process and encourages the production of affordable and supportive housing units that are most needed in Santa Cruz.

The City is only required to allow up to 50 units of supportive housing by right under AB 2162. However, the bill expressly states that a city can develop a policy to allow use by right supportive housing projects greater than 50 units, and the City has done so already for three prior projects – two of which did not end up utilizing the policy. There are two new supportive housing projects that are asking for a higher by-right unit limit which will aid them through reduced processing time and costs. The attached resolution would set forth a policy that maintains Council’s prior direction on the design permit process applicability for privately-owned properties and increases the 50-unit limit to 75 units for one project and to 120 units for another project (see Attachment 1 – Resolution). This allowance would only apply to the two specific projects described below.

Calvary Church

Calvary Church, located at 538 Cedar Street, is proposing a three-story, 65-unit supportive housing development on a portion of its parking lot between Center Street and Cedar Street. While in the early stages of the design process, the project currently proposes several features that seek to improve the existing parking lot space. Approximately 2,900 square feet of retail is proposed along Cedar Street to activate the frontage of the building facing the downtown core and the future mixed-use library site. Residents of the development will have access to an exercise room, lounge, and outdoor common spaces as well as the many amenities and transportation options downtown Santa Cruz has to offer. As anticipated in the Downtown Plan and pursuant to a condition in the attached resolution, the development would include a public paseo that runs through the block between Center Street and Cedar Street, breaking up the long block, providing more downtown access, and creating space for pedestrian amenities.

Of the approximately 65 units, 25% will be offered as supportive housing (per AB 2162), while the applicant has indicated that the remaining 75% of the units are proposed to be rented to Very Low and Low income households, 20% and 60% of the area median income level (AMI). Depending on the household size, 20% AMI ranges from \$18,540 to \$30,720 and 60% AMI

ranges from \$55,620 to \$85,800. The project's bond funding application is due on February 5, 2021, and the developers seek to include Council's AB 2162 authorization in their application. The developers are actively reaching out to agencies like Housing Matters in Santa Cruz to coordinate the management of their supportive services. The Housing Authority of the County of Santa Cruz has conditionally approved the awarding of project-based vouchers (PBV) (see Attachment 3 – Cedar Street PBV Approval Letter).

Because the project is in such an early design phase with only a preliminary site plan currently provided, staff proposes that the Council Policy include several design conditions to help ensure ideal development outcomes even if the project goes through a streamlined approval process. Examples of these design conditions include a minimum width for the paseo, a minimum square footage of retail, and quality materials consistent with the Downtown Plan. One condition will also require the applicant to design, construct, and maintain the proposed paseo. Please refer to Attachment 1, the resolution, for more details on the conditions. Since the project currently proposes 65 units, staff recommends the policy have a limit of 75 units to provide for some flexibility as the design of the project evolves. On-site parking for the residential component of a development is not required under current State legislation given the project's proximity to the Metro transit station, but commercial development would still be subject to parking requirements.

Planning and Community Development and Economic Development Departments' staff have also developed conditions that specifically address the nature of the affordable housing and supportive services on site. These conditions in the Council policy would ensure that the project is compliant with the AB 2162 supportive housing requirements as well as the City's inclusionary housing requirements. These conditions also seek to ensure the proper management of qualified supportive services on site (see Attachment 1 – Resolution).

METRO Pacific Station North

The proposed METRO Pacific Station North project located at 920 Pacific Avenue and 333 Front Street is a transit-oriented development that consists of 100% affordable housing, commercial uses on the ground floor and a new Santa Cruz Metropolitan Transit District facility that will improve transit ridership services. The City and Santa Cruz Metropolitan Transit District (SCMTD) have entered into a Memorandum of Understanding and are planning to apply as co-applicants for the upcoming California Department of Housing & Community Development (HCD) Infill Infrastructure Grant program (IIG) and Affordable Housing Sustainable Communities (AHSC) funding programs in early 2021. These funding programs are highly competitive and only offered on an annual basis. In addition, the IIG program is at risk of being discontinued next year. The City and SCMTD must bring a developer on board that can demonstrate the necessary affordable housing development experience to qualify for the funding. The AHSC funding program also has a threshold requirement that the project must have entitlements approvals at the time of funding application submittal to qualify for the funding, which is why the AB 2162 streamlining process is being recommended for this project. The Council is considering separate actions on this same January 26, 2021 agenda that would facilitate this development.

This past fall, the City and SMTD issued a request for proposals from the City's qualified pool of affordable housing developers to select a developer to be a co-applicant for the upcoming HCD funding applications. With local experience in the County and the City, First Community Housing was chosen as the non-profit affordable housing developer to build this mixed-use

housing and transit station. While project development plans have yet to be prepared, the City anticipates that there will be up to 120 affordable rental apartments for households with an average income of 60% of the Area Median Income or less, including a minimum of 25% supportive housing units for households that are homeless or at risk of being homeless. Staff recommends the policy increase the by right process limit for this project to 120 units.

In addition to the affordable housing, SCMTD customer service and office space, as well as other commercial space, will be provided on the ground floor fronting Pacific Avenue. First Community Housing is planning to certify this 100% affordable housing and mixed-use project with a Leadership in Energy and Environmental Design (LEED) Platinum rating, which is LEED's highest rating achievable in energy and environmental sustainability for new construction. The environmental sustainability features will include but are not limited to a high-performance building envelope that maximizes energy efficiency by minimizing heating and cooling loads and a solar array that will generate on-site renewable energy to power the new bus station facility and the affordable housing, mixed-use building. In addition to funding a substantial portion of the affordable housing and transit station improvements, the State HCD funding will provide bike and pedestrian improvements in this area of the downtown that will provide increased and safer connections to the Riverwalk, METRO station and other key destinations in the City.

Because the project is on public property, staff maintains some control over the design and can incorporate standard measures (such as archeological monitoring or tree replacements) and mitigations from the Downtown Area Plan Environmental Impact Report into the project. The project would not need a design permit under the previously-approved AB 2162 policy decision, and staff does not recommend additional design conditions at this time. Staff recommends that the Council policy still include the conditions on affordable housing and supportive housing to ensure proper management throughout the life of the development (see Attachment 1 – Resolution).

Policy Support

Most of the City's affordable housing goals are found in the Housing Element but the General Plan does include support for streamlining housing production:

- LU3.1.1 Encourage through incentives and expedited permit processing a variety of housing types, when appropriate.

The Housing Element includes a section on affordable housing goals. Goal 2 of the Housing Element is: "Increased and protected supply of housing affordable to extremely low, very low, low, and moderate income households." Below are select policies that support Goal 2:

- Policy 2.2 Facilitate the development of affordable housing through the provision of regulatory concessions, financial incentives and assistance, density bonuses, and other means.
- Policy 2.3 Collaborate with nonprofit organizations, private developers, employers, special needs groups, state and federal agencies, and other interested parties to develop affordable housing.

Health in All Policies

The proposed resolution is consistent with the Health in All Policies pillars of equity, public health, and sustainability in that it would encourage housing for extremely low, very low, low

income, and homeless populations; improve public health outcomes by providing permanent housing and onsite assistance for vulnerable populations; and improve the City’s housing resiliency through increased affordability options.

Environmental Review

State law has determined that any qualifying supportive housing under AB 2162 would not be considered a “project” under environmental review and therefore would not be subject to CEQA. That said, the Council may be interested in knowing that both projects are in the Downtown area so mitigation measures from the Mitigation, Monitoring, and Reporting Plan in the Downtown Area Plan Environmental Impact Report are enforced. As noted above, Design Permit conditions on private property would follow the City’s standard measures such as tree replacement standards.

Conclusion

As previously mentioned, two affordable and supportive housing developers could immediately benefit from increasing the use by right incentives in AB 2162. The subject policy would streamline affordable, supportive housing development by reducing staff and developer costs and time, thereby speeding the delivery of these units. Only the two specified projects could utilize this policy. Any future proposals that desire this benefit beyond these two (and which exceed 50 dwelling units in size) would require further action from Council, so the proposed policy is limited in its scope and allowances. To promote the development of a greater number of housing units for the City’s populations that are most in need of affordable and supportive housing, staff recommends that Council approve the resolution establishing a policy and its project conditions therein to increase the 50-unit use-by-right limit on supportive housing to 75 units for one specified project and 120 units for one specified project.

FISCAL IMPACT: The proposed policy could result in a minor reduction in General Fund revenue due to lower permit fee revenue. However, the Municipal Code allows for 100 percent affordable projects to request waiver of permit fees, so any reduction in permit fee revenue could be offset by waivers. Whether an actual reduction in General Fund revenue would result from the policy or not, this policy would streamline two supportive housing projects, saving considerable staff time in processing applications.

Prepared by:
Matt VanHua
Principal Planner

Submitted by:
Lee Butler
Director of Planning and
Community Development

Approved by:
Martin Bernal
City Manager

ATTACHMENTS:

Resolution
Assembly Bill 2162 Text
Cedar Street PBV Approval Letter

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
ESTABLISHING A POLICY TO AUTHORIZE THE INCREASE IN THE NUMBER OF USE
BY RIGHT SUPPORTIVE HOUSING DEVELOPMENT UNITS ALLOWED UNDER STATE
ASSEMBLY BILL 2162 FROM 50 UNITS OR FEWER TO UP TO 75 UNITS FOR ONE
SPECIFIED QUALIFYING DEVELOPMENT AND UP TO 120 UNITS FOR ANOTHER
SPECIFIED QUALIFYING DEVELOPMENT

WHEREAS, the State of California passed Assembly Bill 2162 (AB 2162) in 2018 to amend Section 65583 of and to add Article 11 (commencing with Section 65650) to Chapter 3 of Division 1 of Title 7 of the Government Code, relating to land use.

WHEREAS, AB 2162 defines supportive housing development and requires the City of Santa Cruz to allow supportive housing development of 50 units or fewer as a use by right on property where multi-family residential and mixed-use development is permitted.

WHEREAS, AB 2162 expressly allows for jurisdictions to develop a policy to increase the use by right unit limit for qualifying supportive housing, and the City is currently aware of two potential projects that qualify as supportive housing under AB 2162 but exceed 50 units each.

WHEREAS, addressing homelessness is urgent, as communities across the state face public health emergencies and evidence shows supportive housing—an affordable rental with intensive services promoting housing stability—works to reduce chronic homelessness.

WHEREAS, the City of Santa Cruz supports the production of housing for its lower income and vulnerable populations.

WHEREAS, State law has determined that any qualifying supportive housing under AB 2162 would not be considered a “project” under environmental review and therefore would not be subject to CEQA, even if a Design Permit is required.

WHEREAS, the City of Santa Cruz accepted public testimony and received a written and verbal report at its January 26, 2021 meeting that provided additional supporting reasoning for expanding the applicability of AB 2162.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

SECTION 1. Under AB 2162, the City shall allow one (1) qualifying supportive housing project as a use by right up to 75 development units for the Calvary Church project at 524 Center Street and one (1) additional specified qualifying supportive housing project as a use by right up to 120 development units the publicly-owned METRO Pacific Station North project, located at 920 Pacific Avenue and 333 Front Street.

SECTION 2. As part of and in order to qualify for this Council-adopted policy, these two (2) specified projects shall be subject to the following affordable housing and supportive services conditions:

1. The Project must comply with all provisions of Government Code Section 65650 et seq, including, but not limited to, the requirement that one hundred percent (100%) of the Project units (excluding the manager's unit) must be restricted to lower income households at 80% AMI or less for a minimum term of 55 years from Certificate of Occupancy and will receive public funding to ensure affordability to lower income households.
2. Twenty-five percent (25%) of the Project units (the supportive housing units) must be restricted to residents in supportive housing who meet the criteria of the target population (as defined in Section 65650) and shall be restricted to households earning 30% AMI or less for a minimum term of 55 years from Certificate of Occupancy.
3. Twenty percent (20%) of the Project units (the inclusionary units) will be restricted to households earning 80% AMI or less in perpetuity, in compliance with the City's inclusionary housing requirements set forth at SCMC Chapter 24.16 Part 1.
4. Developer/owner shall enter into and record an affordable housing development agreement with the City, in a form reasonably determined by the City, prior to or concurrently with the final parcel map or final subdivision map approval, or prior to issuance of a building permit for any structure in the residential development, whichever occurs first. The agreement shall run with the land and bind all future owners and successors in interest.
5. The Developer/owner shall annually meet the California TCAC's most currently published Operating Cost per Unit Minimums for the Special Needs category type and be subject to the City's annual review in coordination with the County. The Developer/owner shall pay all monitoring fees adopted by the City.
6. Developer/owner shall enter into a Memorandum of Understanding with a resident services provider approved by the City to meet the needs of the supportive housing units, including but not limited to lease-up, placement and supportive services in coordination with the County and the County's Coordinated Entry System.
7. The Developer/owner shall retain a professional property management agent and resident services provider (Management Agent) approved by the City in its reasonable discretion. The Project will, at all times, be managed by an experienced Management Agent with demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe, and sanitary housing. Developer/owner shall submit, for the City's information and approval, the identity of any proposed Management Agent and such additional information regarding the background, experience and financial condition of any proposed Management Agent as is reasonably necessary to review Developer/owner's selection of such agent. The City may require the replacement of the Management Agent if the terms of the affordable housing agreement are violated.

SECTION 3. The specified Calvary Church supportive housing development (Project) located at 538 Cedar Street shall be subject to the following additional conditions:

1. The Project shall demonstrate the provision of area for supportive services in the development design to the satisfaction of Government Code Section 65650 et seq.
2. The Project shall include a minimum of 2,800 square feet of commercial retail space along Cedar Street at a minimum depth of 30 feet, and the retail storefront shall comply with the Downtown Plan guidelines relating to storefront access, transparency, variation, and the use of landscaping, awnings, and canopies.
3. The Project design shall adhere to the Downtown Plan guidelines in terms of building rhythm, articulation, architectural elements, corner treatment, windows, roof treatment, building materials, colors, and planting. Special attention shall be given to building materials and treatments at the public-facing, pedestrian level.
4. The Project developer shall design, construct, and maintain a paseo on the southern portion of the site in accordance with the Downtown Plan language regarding the public right-of-way extension of Cathcart Street between Cedar and Center Streets. The Project shall be set back the necessary distance to provide a public paseo with a minimum width of 30 feet. The paseo shall be activated using window placement, gathering spaces, pedestrian amenities, landscaping, and avoiding blank walls greater than 10 feet in length. The Project developer shall apply to the City's Mural Matching Grant Program for inclusion of a mural along a portion of the project wall facing the paseo. Minor architectural and private space projections into the 30-foot public paseo area may be approved per Condition 5 of this section. The design of the paseo shall be in accordance with the accepted principles of crime prevention through environmental design (CPTED) to the satisfaction of the City and shall include one community outreach meeting conducted in conjunction with the City for businesses located within 100 feet of the paseo. The Project shall enter into a maintenance agreement for the paseo with the City prior to the Certificate of Occupancy to the satisfaction of the City.
5. Minor variations to the above conditions that do not substantively alter the intent of the condition may be approved by the Director of Planning and Community Development through the requisite permitting processes. Substantial deviations or changes that alter the intent of the conditions herein would require City Council authorization for continued use of the subject policy under AB 2162.

SECTION 4. Once these two (2) applications for qualifying supportive housing projects above 50 development units have been deemed complete, the City would follow the AB 2162 use by right streamlined approval process. All qualifying AB 2162 supportive housing development proposals where none of the land is City-owned would, in advance of building permit issuance, require a Design Permit to be administratively approved and would require at least one community meeting to be held. For projects on City-owned land, a ministerial building permit approval is required.

PASSED AND ADOPTED this 26th day of January, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED:

Donna Meyers, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

QuickFacts

Santa Cruz city, California

QuickFacts provides statistics for all states and counties, and for cities and towns with a *population of 5,000 or more*.

Table

All Topics 	Santa Cruz city, California
Median selected monthly owner costs -without a mortgage, 2015-2019	\$649
 PEOPLE	
Population	
Population estimates, July 1, 2019, (V2019)	64,608
Population estimates base, April 1, 2010, (V2019)	59,944
Population, percent change - April 1, 2010 (estimates base) to July 1, 2019, (V2019)	7.8%
Population, Census, April 1, 2010	59,946
Age and Sex	
Persons under 5 years, percent	 3.2%
Persons under 18 years, percent	 12.8%
Persons 65 years and over, percent	 12.3%
Female persons, percent	 50.8%
Race and Hispanic Origin	
White alone, percent	 73.9%
Black or African American alone, percent (a)	 2.1%
American Indian and Alaska Native alone, percent (a)	 0.4%
Asian alone, percent (a)	 10.1%
Native Hawaiian and Other Pacific Islander alone, percent (a)	 0.2%
Two or More Races, percent	 6.3%
Hispanic or Latino, percent (b)	 21.0%
White alone, not Hispanic or Latino, percent	 61.6%
Population Characteristics	
Veterans, 2015-2019	2,167
Foreign born persons, percent, 2015-2019	14.6%
Housing	
Housing units, July 1, 2019, (V2019)	X
Owner-occupied housing unit rate, 2015-2019	47.0%
Median value of owner-occupied housing units, 2015-2019	\$854,200
Median selected monthly owner costs -with a mortgage, 2015-2019	\$2,886
Median selected monthly owner costs -without a mortgage, 2015-2019	\$649
Median gross rent, 2015-2019	\$1,889
Building permits, 2019	X
Families & Living Arrangements	
Households, 2015-2019	22,579
Persons per household, 2015-2019	2.40
Living in same house 1 year ago, percent of persons age 1 year+, 2015-2019	72.6%
Language other than English spoken at home, percent of persons age 5 years+, 2015-2019	26.3%
Computer and Internet Use	
Households with a computer, percent, 2015-2019	96.2%
Households with a broadband Internet subscription, percent, 2015-2019	90.7%
Education	
High school graduate or higher, percent of persons age 25 years+, 2015-2019	93.9%
Bachelor's degree or higher, percent of persons age 25 years+, 2015-2019	53.8%
Health	
With a disability, under age 65 years, percent, 2015-2019	7.5%
Persons without health insurance, under age 65 years, percent	 5.4%
Economy	
In civilian labor force, total, percent of population age 16 years+, 2015-2019	62.5%
In civilian labor force, female, percent of population age 16 years+, 2015-2019	60.6%
Total accommodation and food services sales, 2012 (\$1,000) (c)	253,858
Total health care and social assistance receipts/revenue, 2012 (\$1,000) (c)	292,027
Total manufacturers shipments, 2012 (\$1,000) (c)	346,239

Total merchant wholesaler sales, 2012 (\$1,000) (c)	594,489
Total retail sales, 2012 (\$1,000) (c)	773,249
Total retail sales per capita, 2012 (c)	\$12,464
Transportation	
Mean travel time to work (minutes), workers age 16 years+, 2015-2019	23.5
Income & Poverty	
Median household income (in 2019 dollars), 2015-2019	\$77,921
Per capita income in past 12 months (in 2019 dollars), 2015-2019	\$39,653
Persons in poverty, percent	▲ 20.9%

BUSINESSES

Businesses	
Total employer establishments, 2019	X
Total employment, 2019	X
Total annual payroll, 2019 (\$1,000)	X
Total employment, percent change, 2018-2019	X
Total nonemployer establishments, 2018	X
All firms, 2012	7,542
Men-owned firms, 2012	3,605
Women-owned firms, 2012	2,877
Minority-owned firms, 2012	1,096
Nonminority-owned firms, 2012	6,043
Veteran-owned firms, 2012	490
Nonveteran-owned firms, 2012	6,661

GEOGRAPHY

Geography	
Population per square mile, 2010	4,705.3
Land area in square miles, 2010	12.74
FIPS Code	0669112

About datasets used in this table

Value Notes

 Estimates are not comparable to other geographic levels due to methodology differences that may exist between different data sources.

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info  icon to the row in TABLE view to learn about sampling error.

The vintage year (e.g., V2019) refers to the final year of the series (2010 thru 2019). *Different vintage years of estimates are not comparable.*

Fact Notes

- (a) Includes persons reporting only one race
- (c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data
- (b) Hispanics may be of any race, so also are included in applicable race categories

Value Flags

- Either no or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest or upper interval of an open ended distribution.
- F Fewer than 25 firms
- D Suppressed to avoid disclosure of confidential information
- N Data for this geographic area cannot be displayed because the number of sample cases is too small.
- FN Footnote on this item in place of data
- X Not applicable
- S Suppressed; does not meet publication standards
- NA Not available
- Z Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

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AS ADOPTED BY CITY COUNCIL NOVEMBER 14, 2017 AND
CALIFORNIA COASTAL COMMISSION MARCH 8, 2018

City of Santa Cruz

**DOWNTOWN
PLAN**

September 1991

As Amended through January 28, 2020

2000-2017 UPDATES OF DOWNTOWN RECOVERY PLAN

The Downtown Recovery Plan was originally adopted in 1991.

In the year 2000, the City undertook a review of the Downtown Recovery Plan and made adjustments based on a review of the projects constructed since the Plan's 1991 adoption.

On September 14, 2000, the City Council adopted the Santa Cruz Downtown Retail Strategic Plan by Resolution No. NS-25,084. This is attached as Appendix 4.

On October 23, 2001, the City Council adopted revisions to the City's Zoning Ordinance pertaining to Floor Area Ratio for residential uses in the High Density Overlay District. This is attached as Appendix 5.

On March 11, 2003, the City Council adopted revisions to Chapter 4 of the Downtown Recovery Plan, Development Standards and Design Guidelines, as Ordinance No. 2003-08. The Plan adjustments were limited to Chapter 4.

On December 14, 2004, the City Council adopted revisions to Chapter 4 of the Downtown Recovery Plan creating an Additional Height Zone C in the Cedar Street Village Corridor. This was attached as Appendix 6 (see revisions on November 14, 2017).

On November 22, 2005, the City Council adopted revisions to Chapter 4 of the Downtown Recovery Plan pertaining to live entertainment. This was attached as Appendix 7 (see revisions on November 14, 2017).

On October 24, 2009, the City Council adopted revisions to Chapter 4 of the Downtown Recovery Plan to allow ground floor offices as principally permitted uses in the North Pacific Subarea as Ordinance No. 2009-24.

On February 9, 2016, the City Council adopted Resolution NS-29,059 revisions to the Downtown Recovery Plan to relocate Sign Regulations from Appendix 3 to Chapter 24.12 Community Design, Part 4, Advertising Devices, Signs and Billboards of the Santa Cruz Municipal Code.

On November 14, 2017 the City Council adopted Resolution NS-29,328 revisions to the plan with specific emphasis on Chapter 4, Development Standards and Design Guidelines with Ordinance 2017-23, extending Additional Height Zone A to Laurel Street and modifying Additional Height Zone B for Front Street riverfront properties. These revisions deleted Appendix 5, Floor Area Ratio, as these standards had been incorporated in General Plan 2030; Appendix 6, Additional Height Zone C, as Zone C was incorporated into Zone A; and Appendix 7, Live Entertainment, which was relocated into Chapter 24.12 Community Design, Part 2, General Site Design Standards, 24.12.195, Live Entertainment of the Santa Cruz Municipal Code.

On January 28, 2020 the City Council adopted Resolution NS-29,620 revisions to the Downtown Plan to: 1) establish the percentage of shelf space allowed for alcoholic beverages for off-site consumptions that represents a small percentage of the total shelf space that would be considered clearly incidental to a principally permitted use; 2) add operational criteria for the sale of alcohol for off-site consumption; 3) remove tattoo parlors from the list of prohibited uses in the downtown; and 4) amend restrictions on personal services within the Downtown Plan area.

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The purpose of the original Downtown Recovery Plan was to provide a coherent framework for public and private actions related to the rebuilding of downtown Santa Cruz after the devastating Loma Prieta earthquake of 1989. The intent of the plan was to establish policies, standards, and guidelines to direct the recovery process toward the rebuilding of a downtown to meet the multiple objectives of the entire community. While the plan also provided longer-term recommendations, the primary focus was the shorter-term recovery of the downtown; as such, the Downtown Plan has been revised over the years to provide for refinements and elaborations.

The Downtown Plan is a synthesis of many ideas expressed and refined over the 15 months since October of 1989. Immediately after the earthquake, the City established a working group of broad representation, known as Vision Santa Cruz, whose aim was to "spearhead" the recovery process and to develop a plan that was expressive of the values of the community. One significant achievement of this group was the "First Principles" document, which established consensus over a broad spectrum of issues. This plan is directly descended from the "First Principles" and from direction provided by two steering committees: the City-appointed Streetscape Task Force and a subcommittee established by Vision Santa Cruz— the Technical Advisory Group (T.A.G.). The Downtown Plan is also the result of numerous public workshops involving Vision Santa Cruz, the Streetscape Task Force, the T.A.G., the Planning and Downtown Commissions, City Council and the public-at-large.

The Community's Vision

(A portion of the full statement written by Vision Santa Cruz; full vision statement is provided in Appendix 1.)

Vibrant, vital and active, the central business district constitutes the primary retail, commercial, professional, and employment center for the City of Santa Cruz. This compact high-density area is home to unique businesses, offering residents and visitors a diverse and wholesome environment for commercial, cultural, civic, and social pursuits. Local, regional, and national businesses combine in a potent blend, making the downtown a major destination for the entire region.

The pedestrian-oriented environment is characterized by convenient access, a garden-like setting, and human-scale buildings. The visual and physical relationships to the San Lorenzo River, the surrounding natural landscape, and Monterey Bay make downtown Santa Cruz among the most beautiful urban places in California. The architecture captures the best of the City's past while integrating new buildings into a coherent and visually appealing downtown. As a result, the area strikes a balance between a successful modern business center and an environmentally attractive and active public place.

This effective combination is the focus of Santa Cruz public life and is a central element in the community's identity. Downtown is safe and clean. It is a multicultural place, attracting all sectors of the community, and serving as a meeting place for children, students, elderly, office workers, retailers, shoppers and visitors, as well as those living in the downtown and surrounding neighborhoods. Restaurants, cultural events, and entertainment bring additional life to the area during the evening and nighttime hours.

A range of housing types is integrated into the downtown. This urban-density housing provides both market-rate and affordable units, and expands the immediate market for downtown goods, services, and public transportation.

The economic and social vitality of the downtown has a positive effect on the surrounding areas and the entire community. It has restored the heart and soul to an earthquake-shaken town, and once again provides a significant source of tax revenue for the City's general fund.

The First Principles

The First Principles document establishes recommended directions for a wide range of issues and topics, including:

- ***Form and Character.*** New buildings should be allowed to develop individual character while retaining qualities of the historic townscape. Issues of articulation, materials, signage, setbacks, scale, massing, form, bulk, solar access and height are critical.
- ***Building Height.*** Buildings should maintain the scale and character of the existing downtown, with explicit criteria for additional height up to seven stories and provisions to ensure that buildings do not shade key public open spaces. Since this First Principle was established in 1991, the downtown development pattern has largely respected the existing two to three story development pattern with several taller buildings spaced throughout the Pacific Avenue Retail District, providing architectural variation. The 2017 update recognizes these taller buildings also contribute greatly to the architectural fabric of the City and can provide significant opportunities to plan for environmentally sound infill development without damaging the character of the City. The 2017 modifications to the Additional Height Zones have been carefully written to recognize the City's successful recovery from the 1989 Loma Prieta earthquake; preserving and enhancing the urban form of the City, without sacrificing the special human scale and character of downtown. New development will not be required to strictly adhere to a 2 and 3 story scale.
- ***Housing.*** Significant new housing opportunities should be targeted throughout the downtown, including Pacific Avenue, the San Lorenzo riverfront, and South of Laurel. Housing should be comprised of a mix of apartments and condominiums. SRO housing should be replaced and dispersed throughout the downtown area.
- ***Accessibility.*** A downtown that aesthetically integrates access as a primary design criterion for all improvements to ensure increased opportunities for the public to participate in commercial, governmental, residential, social and cultural activities.
- ***Open Space and Streetscape.*** A strong network of public and private open spaces (streets, sidewalks, public parks, plazas, passageways and courtyards) that creates a socially active and pedestrian-oriented downtown core should be emphasized.
- ***Circulation.*** Downtown should be predominantly pedestrian in nature; movement should be carefully structured to reinforce the character of the place. Pedestrian, bicycle, and transit access to the downtown should be enhanced.
- ***Parking.*** Parking in the downtown core should continue to be provided by the Parking District in a centralized fashion, to maximize shared use and minimize the quantity of stored vehicles.

The Basis for Change

This vision for the downtown is one that must evolve in a gradual way. Rather than a static plan or a fixed picture of an end-state condition, the Downtown Plan is intended as a creative framework that will guide the ingenuity and efforts of a wide range of participants – public policymakers, architects, developers, merchants and residents – over an extended period of time. The Plan, therefore, is structured to be definitive where specific approaches are necessary to achieve public objectives and more general where multiple approaches can be considered.

Before embarking upon the description of the Plan, it is important to emphasize that the downtown is not a "blank slate" upon which change will occur. Although the 1989 earthquake was devastating, it did not erase the underlying structure and form of the downtown. In addition to the community's vision and the specific principles outlined in this plan, the following factors provide a strong basis for future change:

- *The Pattern of Downtown Streets and Blocks*, which provide the principal organizing structure for public life and private activities within the downtown.
- *The Pattern of Public and Private Ownership*, which establishes the texture and "grain" of the downtown fabric, and the boundaries within which public and private sector participation will take place.
- *Buildings of Architectural Significance*, which provide for a strong continuity with the past and a context for future development; and
- *The Opportunity Sites*, which include earthquake-damaged or demolished sites, and vacant and built sites which may be redeveloped in the future, and upon which the Plan can exert influence.

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Planning Principles and Strategies

The success of downtown Santa Cruz's recovery has been dependent upon the ability to recreate the unique characteristics of the original downtown while providing a clear framework for the future. As recognized by the "First Principles," the downtown must continue to function as a place of commerce, culture, and recreation: a place that people choose to go to meet friends; a place that naturally and spontaneously accommodates civic events as well as informal gatherings; and a place where people live and work. The creation of a rich environment and a balanced mixture of land uses that are mutually reinforcing will be critical in achieving such a place. The following planning principles expand upon the First Principles and provide the basic strategies and recommendations for the Plan.

Strengthen Downtown Santa Cruz as a Vital Retailing District

The land use component most critical to the success of the downtown is retail. In order for downtown Santa Cruz to continue to thrive as an active and meaningful place, it must offer residents, students, employees, and visitors a purpose to be there and an attractive alternative to other retailing options in the region. Without a strong and diverse retail base, the downtown area cannot function as a viable center for the community. Clearly, a major strength of the downtown is its unique retailing personality, which has evolved as a result of strong local merchants and a loyal customer base. This should be built upon further.

A Centralized Retail Management Program

The quality and mix of retailers within the downtown significantly contributes to the diversity and number of people who will come to downtown Santa Cruz. There is a unique opportunity to retain a coordinated approach to the recruitment of tenants and the ongoing management of retailing within the downtown. Such an approach can encourage: the clustering and concentration of companion retail uses that will promote multiple visitation; the coordination of business hours; the marketing of the downtown as a single destination; and the programming of special events. A discussion of the recommended centralized retail management program is provided in the Implementation chapter of this plan.

A Physical Environment that Reinforces Retailing

In order to remain competitive with outlying shopping areas, Pacific Avenue needs to be perceived as a unique destination that is convenient and comfortable to pedestrians, motorists, and bicyclists. From the pedestrian's standpoint, it is imperative to create a street environment that is hospitable and non-threatening. A good retail street offers a strong sense of continuity and visibility. Ground-level uses along Pacific Avenue should be controlled to ensure that retail continuity is maintained. People need to be encouraged to continue walking along the street, drawn on by nodes of activity such as cafes, stimulating signage, interesting and eye-catching window displays, and other elements that are visually exciting. Views down the length of Pacific Avenue should be maintained to give the

pedestrian, motorist and bicyclist a strong sense of the street as a place; views to retailing establishments should also be maintained to allow the expression of individual merchants to provide the street with its unique identity and personality. Access routes to the downtown should be clearly understandable, naturally directing vehicles and bicycles to their destinations and to convenient parking facilities. To this end, the original Downtown Recovery Plan recommended a reorientation of traffic on Pacific Avenue to allow autos to enter the downtown from both the north and south ends of the avenue, so that the motorist can become oriented to the activities of the street before reaching the off-site parking facilities on Cedar and Front Streets. In addition, the Downtown Plan strongly recommends that on-street curbside parking be maintained to the maximum extent practicable throughout the downtown, to reinforce the overall feeling of convenience and access. Finally, the Downtown Plan recommends strengthening bicycle safety, access and parking as an important means of improving shopper convenience.

More Than a Place to Shop

The downtown must be more than a place to conduct business; it should also be a place where Santa Cruzans naturally gather to meet, to see live theater and movies, to hear music, to enjoy museums, to be entertained, and to eat. The perception of downtown in general, and Pacific Avenue in particular, should be a place of diverse activity. If carefully orchestrated, this diversity will contribute significantly to the success of the retail activities within the downtown. The land use pattern and street design should accommodate these activities and be made visually prominent. To this end, the Downtown Plan recommends that Pacific Avenue and the east-west streets be designed to maximize opportunities for outdoor eating, to give the area a strong identity as an active and festive place. In addition, entertainment and cultural uses (theaters, galleries, nightclubs) are encouraged to provide a richer and more diverse experience to the visitor, and to allow the downtown to be the principal "stage" for the artistic expression of the community. Pacific Avenue is the "main street" of Santa Cruz, and serves not only as the principal retail spine of the city, but also as its central social gathering space. Therefore, it must be attractive to all sectors of the community and allow for spontaneous gatherings and public seating.

A Performing Arts Center

Much interest has been expressed by the community for a Performing Arts Center in the downtown area. The Downtown Plan strongly supports this concept as one that would reinforce the diversity of experiences in the downtown and contribute to its overall revitalization. If the City chooses to pursue the proposed San Lorenzo Park site for the new facility as recommended by the County Cultural Council, consideration should be given to the enhancement of the existing pedestrian bridge across the river and the linkage to Cooper Street and Pacific Avenue.

Enhance the Open Space and Pedestrian Network of Downtown

Nestled at the foot of the Santa Cruz Mountains, on the coast of Monterey Bay and at the mouth of the San Lorenzo River, the City of Santa Cruz has a powerful relationship with its physical environment. The downtown itself is defined by natural features, including Mission and Beach Hills to the north and south and the river to the east. The Downtown Plan calls for the creation of a strong

and varied network of active and meaningful urban spaces that reinforce the unique pedestrian environment of the area, and that link the downtown with its natural setting.

Creating Meaningful Open Space in Downtown

Open spaces within downtown Santa Cruz should have value and meaning; they should be carefully located where people want to be and in locations that take advantage of the unique resources, heritage, and traditions of the community. They should not be contrived or created from "leftover" space. The most meaningful open spaces within cities have emerged out of natural features (e.g., the hilltop parks of San Francisco) and from places that have a historic cultural and/or civic significance (e.g., the church, the market, the crossroads). Downtown Santa Cruz has a meaningful system of such open spaces that should be built upon; these include the San Lorenzo River, the Post Office and Town Clock intersection at Pacific Avenue and Water Streets; the Civic Center; and the downtown streets themselves.

San Lorenzo River as a Major Downtown Open Space

San Lorenzo River is only two blocks from the heart of downtown, and as such offers great potential as a naturalistic open space, wildlife habitat, and recreational amenity: a "garden promenade" that can provide a more contemplative and reflective experience to the hustle and bustle of Pacific Avenue. However, the river has served primarily as a flood control channel and the downtown has largely turned its back on it. In evaluating open space opportunities and potentials for the downtown, the Downtown Plan recommends that the City give the improvement of the riverfront and the creation of linkages to the downtown top priority. The creation of a riverfront park at the foot of Cathcart Street and the enhancement of that street as a strong pedestrian and visual linkage between Pacific Avenue and the river would significantly enhance the open space network of the downtown and is strongly recommended as an action to be pursued as part of the Riverfront Plan. The pedestrian linkage between the river and downtown can also be strengthened along Cooper Street through the Galleria to the existing pedestrian bridge leading to San Lorenzo Park; in the longer term, the Downtown Plan recommends that a stronger pedestrian linkage be established to the river through the parking lot at the northeast corner of Soquel Avenue and Front Street, leading to a significantly expanded pedestrian/bicycle bridge with retailing uses alongside. A third pedestrian linkage to the river can be established between Cathcart Street and Laurel Street, where a new pedestrian bridge could provide direct linkage to the east side neighborhoods across the river.

Open Space of Historic and Civic Significance

Downtown Santa Cruz also has open spaces with historic and civic meaning. The Post Office plaza, Town Clock Park, Scope Park, Adobe Park and Mission Plaza Park form a series of public places that have a unique significance to the community. The Downtown Plan recommends that each of these spaces be enhanced and that a stronger pedestrian linkage be created between them. To this end, the Downtown Plan recommends, as a future action, the creation of a prominent stair and terraced park at Water Street and North Pacific Avenue, connecting Scope Park with Adobe Park and Mission Park. In this way, the historic origins of the City on Mission Hill can be more strongly integrated with the downtown experience. The Downtown Plan also identifies the opportunity to strengthen the civic significance of the Town Clock Plaza and Post Office Plaza as part of the

immediate-term improvements planned for Pacific Avenue. The Downtown Plan recommends that these improvements create a more visually cohesive and pedestrian-friendly open space at the northern tip of Pacific Avenue, that ties the Post Office and Town Clock together, creates a strong visual gateway to the downtown and, through periodic street closures, provides a major opportunity for large public gatherings and civic events.

Civic Center

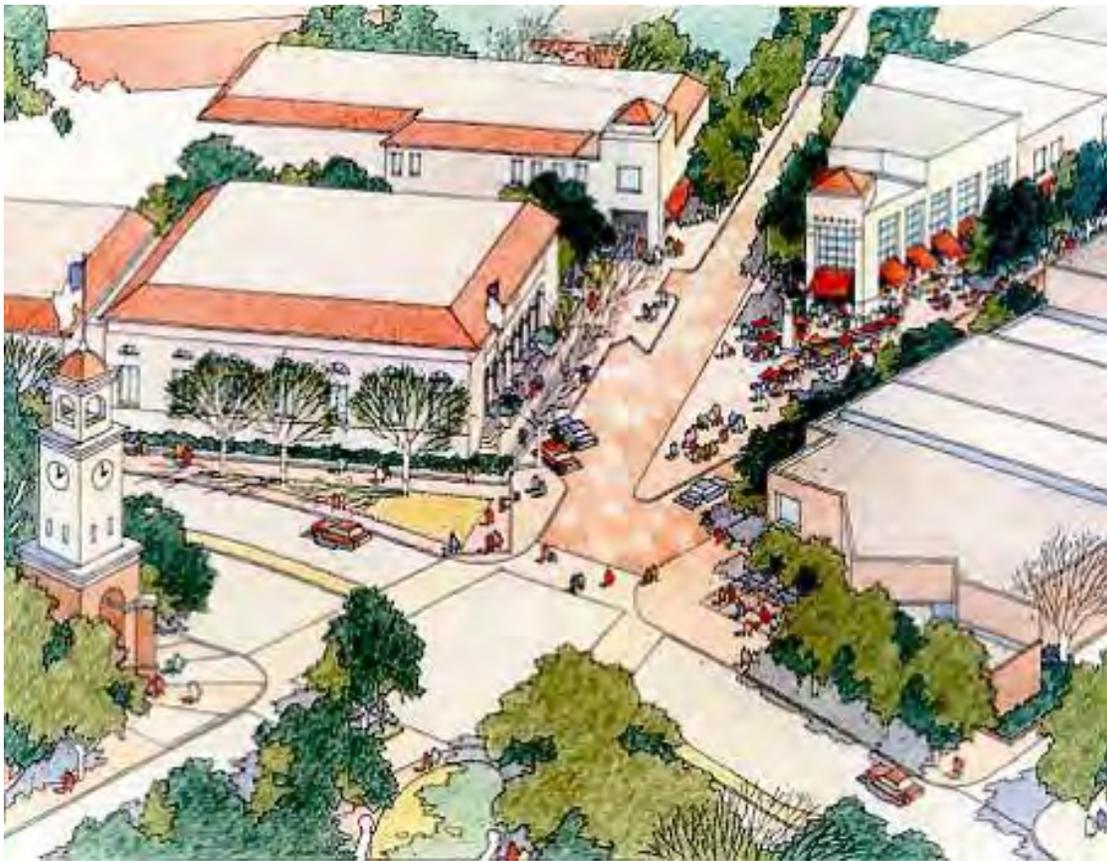
While the Civic Center is a highly appropriate location for spontaneous or formal public gatherings, there is little provision for such activity. Although the majority of the Civic Center is beyond the boundaries of the Downtown Plan, the potential for this area to be reinforced as a civic gathering place should not be ignored. Currently, the City Hall has an attractively landscaped garden and court facing Center Street that is largely passive in nature. Modifications to this landscaped area could be considered to allow for larger formal and informal gatherings, while maintaining the unique scale, character, and garden-like qualities of the City Hall. In addition, or alternatively, the Church Street frontage adjacent to City Hall and the Civic Auditorium could be redesigned to create a stronger visual and civic identity and, with the periodic closure of Church Street, allow for major gatherings.

Cedar Street Park.

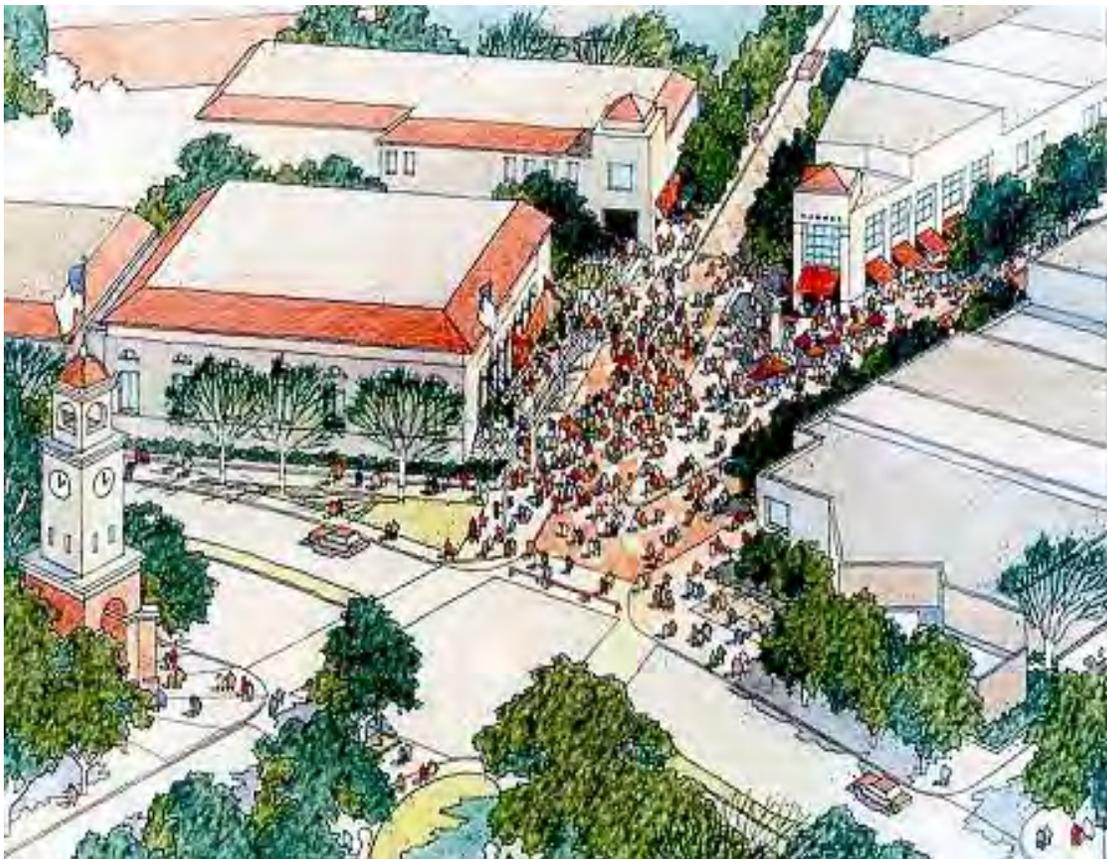
The Downtown Plan also identifies the opportunity to create a park and public space of approximately 15,000 square feet immediately north of the Locust Street parking garage along Cedar Street. This park, which would enjoy sun throughout most of the day, would gain significance because of the heritage walnut tree on the site and its linkage to Pacific Avenue by way of Plaza Lane.

The Streets as Public Open Space

In reinforcing a strong open space network, it must be emphasized that the streets and sidewalks provide the principal public space opportunity within the downtown. The streets function as an extension of the larger open space system, providing key linkages to the river, the beach, and the surrounding neighborhoods; they also reinforce the commercial function of the downtown and accommodate much of the activities that make it a vital and memorable place to be. As such, the design of the streets needs to maximize their contribution to the overall open space system. Pacific Avenue, as the city's "main street," should be designed to allow for periodic closures to accommodate major civic events; on an everyday basis, the street should continue to serve as a comfortable and active public place for a wide range of people, including students, residents, employees, and visitors. Other streets, including Cooper Street, Cathcart Street, and Front Street between River and Water Streets, should also be designed as key open space resources, capable of being closed for special occasions and events and providing direct visual and pedestrian linkages to the downtown. The use of sidewalk extension zones (e.g., outdoor cafes, markets, etc.), setbacks at key points, courtyards, and passages will also reinforce and enrich the overall open space network of the downtown.



A new plaza at Pacific Avenue and Water Street will create a distinctive entry to the downtown...



...and a major gathering space framed by the Clock Tower and post office.



Pacific Avenue between Cathcart and Lincoln...



... will be transformed once a week into a Farmers Market.

Reinforcing the Pedestrian-Oriented Environment

Downtown Santa Cruz should be a place where pedestrians feel comfortable throughout the day and nighttime hours. Great pedestrian places are those that always feel full and active, with people promenading, window shopping or watching other people, people sitting in cafes with friends, people passing by on bicycles, or people enjoying a spontaneous street performance. The public spaces and streets of downtown Santa Cruz must be appropriately scaled to ensure that a comfortable pedestrian environment is created. As the major open space within the downtown, streets should be designed to respond to the cyclical nature and needs of the community. The ability to have larger pedestrian spaces when they are needed and more intimate and active places at other times will give the streets a life and character of their own. For instance, an annual parade or festival may warrant the temporary closure of all of Pacific Avenue to automobiles, whereas a weekly farmer's market could be accommodated on a particular street segment (e.g., between Cathcart and Lincoln). Similarly, traffic could be closed on other streets within the downtown (e.g., Cooper Street between Pacific and Front or Front Street between Water and River Streets) for special events.

A Balance Between Pedestrians and Automobiles

It is important that streets and sidewalks be correctly sized and programmed to accommodate pedestrian activity and movement. Pedestrian spaces that are too big can evoke a sense of inactivity, emptiness, and insecurity, and as a result discourage pedestrian use. A careful balance needs to be established between the automobile, pedestrians, and bicyclists. The complete elimination of the automobile is not desirable because it can result in pedestrian spaces that are too big and inaccessible. This has been proven in small and medium-sized cities throughout the country, where pedestrian malls have failed to create the desired pedestrian or commercial environment. On the other hand, streets should not be dominated by the automobile to the point where pedestrians and bicyclists feel secondary. The correct balance should include: wide sidewalks for promenading and pedestrian-oriented activities; narrow roadways with slow-moving traffic; continuous, safe bicycle routes; ample accessible, at-grade pedestrian crossings or ramps, and appropriately textured surfaces for access and safe movement of persons using mobility aids and devices; and curbside parking or bike lanes to offer a separation between pedestrians and moving cars and to slow traffic further. Trees should be used to reinforce the pedestrian environment by giving scale and definition to the public walkways and by promoting a visually attractive and comfortable street.

The Relationship of the Public and Private Realm

A downtown pedestrian district like Santa Cruz need not establish a hard edge between public and private uses. Activities should flow back and forth between the public and private realms. The extension of the pedestrian environment into private parcels is encouraged by means of passages and courtyards that have a strong tradition in Santa Cruz. Conversely, retailing activities (e.g., cafes, flower stands, produce markets) are encouraged (within carefully prescribed limits) to "spill out" into the public right-of-way to reinforce the life and vitality of the street.

Preserve and Enhance the Distinctive Scale and Character of Downtown

The image of downtown Santa Cruz is rich and complex, distinctive and memorable. Within the central city, new and rehabilitated buildings have developed individual character while retaining qualities of an historic townscape. The underlying cadence and structure of the built environment continues to express the scale and texture of a pedestrian-oriented downtown.

The Character of Downtown Buildings

Much of the character of downtown Santa Cruz has come from its incremental development and the individual stylistic expressions that have occurred over an extended period of time. As a result of the 1989 Loma Prieta earthquake, much of downtown has been rebuilt in a single generation. This puts a particular burden on the Downtown Plan and its design guidelines to maintain the unique townscape character and to avoid the creation of monolithic "projects" that destroy the human scale and pedestrian quality of the downtown. The design guidelines call for buildings that respect the incremental pattern of development in the downtown and that are reflective of the charm and lifestyle of Santa Cruz: buildings that have a unique rhythm and variation created by elements including balconies, loggias, trellises, and bay windows; buildings that extend and enhance the public realm with courtyards, setbacks, extension areas, and passages; and buildings that are not hermetically sealed, but reflect the environment and are energy efficient. The Downtown Plan does not recommend a single architectural style as a predominant theme, but rather emphasizes a humanistic scale and warmth that provides a common vocabulary.

The Opportunity to Intensify

The Downtown Plan recognizes that it is desirable for downtown Santa Cruz to intensify, in order to bring more people and activities to the area. However, this intensification must be achieved in a way that respects the townscape of the downtown and its relationship with the surrounding area. The Downtown Plan includes an Additional Height Zone A along the Pacific Avenue corridor between Laurel and Water Streets; and the west side of Front Street between Laurel Street and Soquel Avenue, where taller buildings can be created when key criteria are met. An Additional Height Zone B along Front Street is also included in the plan allowing for taller buildings when key criteria are met.

Strengthen Downtown Santa Cruz as a Place to Live

Throughout the country, cities are striving to reestablish old residential neighborhoods or to introduce new ones within their downtowns. Santa Cruz is fortunate to have attractive and viable downtown neighborhoods that serve to reinforce the city center not only as a place to shop or work, but as a place to live...a place that has a life beyond its business hours. In planning for change within the downtown, it is critical that such change be designed to preserve the character and qualities of the adjacent neighborhoods, and encourage new residential development that is compatible in scale. In this regard, land use, urban design, and circulation policies within the Downtown Plan are aimed at ensuring compatibility of scale and use with, and the avoidance of, through-traffic within adjacent neighborhoods.

To further reinforce the city center as a place to live and to extend the residential pattern of the surrounding single-family neighborhoods to the downtown, the Downtown Plan encourages residential development as a second floor and above use throughout the downtown area. Some office space has been constructed for upper floors within the Downtown Plan area on a project specific basis, with emphasis on market balance for housing and jobs. The potential redevelopment of the east side of Front Street also provides opportunities for non-residential uses suitable for the Riverwalk side of these properties; but the overarching policy for promoting additional housing in the downtown area is of primary importance with the 2017 Downtown Plan update.

Open Space and Pedestrian Linkages to the Adjacent Neighborhoods

The Downtown Plan calls for the reinforcement of pedestrian linkages between the downtown and its adjacent residential neighborhoods. The original Downtown Recovery Plan recommended widened sidewalks and improved streetscapes along Church and Cathcart Streets to provide residents of the neighborhood immediately to the west of downtown with enhanced access to the downtown and the San Lorenzo River corridor. Many of these improvements have been completed, but need to continuously be reinforced and enhanced. The Downtown Plan continues to suggest enhanced linkages between the downtown and the Mission Hill neighborhood to the north through the expansion of Scope Park at Water Street and Pacific Avenue, providing direct pedestrian access to Mission Plaza and the historic Mission Hill district. As the South of Laurel district redevelops, it is also suggested that the pedestrian qualities of Pacific Avenue be extended southward to create stronger pedestrian linkages with the Beach Hill neighborhood.

Riverfront Residential

Along Front Street, between Soquel Avenue and Laurel Street, the Downtown Plan promotes upper-level residential uses, while encouraging commercial uses at the ground level facing Front Street and a mix of commercial and residential uses at the Riverwalk level and above. Housing in this location provides a strong support use to the downtown and creates an attractive linkage to the recreational resource and amenity of the riverfront. In addition, the parking lot and adjacent commercial properties on the north east corner of Soquel Avenue and Front Street adjacent to River Street South is identified as a potential site for future mixed-use redevelopment, with residential as the upper-level use oriented to the river.

SRO Housing

SRO housing provides an important resource to a wide range of people who require proximity to the services and transit facilities of the downtown. In this regard, the replacement and maintenance of SRO housing has been encouraged throughout the downtown. Upon the completion of four projects (St. George Hotel, Palomar Hotel, El Centro, Colonial Hotel) along Pacific Avenue, the number of pre-earthquake SRO housing units has been exceeded. The Plan recommends that additional projects be dispersed throughout the downtown and that individual SRO developments not exceed 60 units without City Council approval, to avoid the creation of a single district that will dominate other critical activities within the area.

Infill Residential on City-Controlled Sites

The original Downtown Recovery Plan considered City-controlled sites (such as parking lots) as being very important opportunity sites to provide additional housing. City-controlled properties remain extremely important twenty-five years after the Loma Prieta earthquake. This updated Downtown Plan continues to promote mixed-use opportunities within downtown and rather than highlighting site-specific properties, the Downtown Plan encourages flexibility in targeting potential development projects based on changing market conditions and the City's financial priorities and capacity. There may be opportunities downtown to participate in public/private partnerships and the Downtown Plan encourages exploration of creative development options that will continue to achieve the objectives of this Downtown Plan to positively enhance the residential community of downtown.

New Residential Development in the South of Laurel Area

It has been recognized that the South of Laurel area offers additional potential for the creation of a mixed-use/residential neighborhood that will serve to reinforce the diversity and vitality of downtown Santa Cruz. It will be important for "South of Laurel" to evolve, not as a series of independent projects, but as a well-planned and integrated neighborhood with many of the same qualities that make the city's existing neighborhoods unique and attractive places to live. Planning for this area should strive to create a cohesive and pedestrian-oriented residential "fabric" with well-landscaped streets, parks and community amenities, which may include a permanent event arena, and buildings that are carefully scaled and oriented to reinforce the pedestrian environment.

Housing Feasibility and Affordability

A comprehensive housing implementation strategy should be developed by the City to establish a feasible program for the creation of market-rate and affordable housing, including developer incentives, land write-downs, public participation in financing, parking reductions, etc. The Downtown Plan does not recommend the imposition of exactions on commercial developers for the creation of residential development.

Strengthen Downtown as a Place of Local and Regional Employment

Historically, downtown Santa Cruz has served as the principal government, business, and service center for North County. This role has reinforced the significance of the downtown as an important destination and has provided direct support to retailing uses. The Downtown Plan strongly encourages the concentration of office uses within the downtown, where employees can best take advantage of existing and future transit service, where broader environmental objectives related to the improvement of air quality and transportation can be best served, where additional employees can contribute to the creation of an active and viable urban center, and where they can be best served by downtown retail activities. In terms of supporting the viability of the downtown as a retail district, upper-level office uses are considered primary. While it is recognized that the regional office market is somewhat limited, the Downtown Plan acknowledges the opportunity to attract office users to newly available and assembled sites within the downtown; these uses offer an important opportunity to intensify the downtown district and enhance its role as a regional office center. The policies of this Downtown Plan also allow for the flexibility and opportunities for office and technology-related companies to locate within the downtown, acknowledging the dynamic nature of the current technological industry can greatly contribute to the success and vibrancy of the downtown.

Opportunity Sites for Commercial Development

Several significant sites between Cathcart and Water Streets along Pacific Avenue provide good opportunities for upper-level office uses. The Downtown Plan encourages the most intensive development along Pacific Avenue and the Front Street/Riverfront corridor, where it can most benefit from shared parking and convenient transit, and where higher-density development is most appropriate. There continue to be opportunities for redevelopment of existing structures along lower Pacific Avenue, as well as along Front Street.

Concentrate Commercial Development Within Downtown Core

Land use planning policy for the City served well to support the enormous challenge that property owners, developers, and retailers faced in the rebuilding of the downtown district. Efforts should continue to be made to locate large-scale office and destination-oriented retail uses within the downtown, where they establish an economic vitality that will secure the downtown's role as the principal commercial center of the region. This Downtown Plan continues to promote concentration of mixed use development within the downtown core. As the City's downtown develops with more mid-rise construction (up to 6 or 7 floors), the transit system and alternative transportation methods will become more important for maintaining the quality of life in the downtown area. The corridor connections between the beach and downtown will provide more opportunities for residents and tourism, but the focus of higher-density development and commercial/office uses in the downtown core remains foremost in the Plan.

Create a Stronger Relationship Between Downtown and the Beach

Each summer season, thousands of visitors come to Santa Cruz to enjoy the boardwalk amusements and the sandy beach facing Monterey Bay. Less than one mile to the south, the beach is separated from the downtown by topography (Beach Hill) and a road pattern that is indirect and confusing. As a result, many beach visitors have little knowledge that downtown Santa Cruz exists, and when the sun subsides, look elsewhere for their after-beach entertainment. While downtown Santa Cruz must continue to depend primarily on local residents for its economic health, increased patronage from beach visitors will only help to reinforce the commercial vitality of the area. The strong local character or "personality" of Pacific Avenue can be an attractive draw to visitors who, in a recreational mode, are looking for unfamiliar diversions that provide new experiences. Conversely, the revitalization of the Beach could introduce new activities that would be more attractive to the local resident or patron of the downtown. The creation of complementary activities in both the downtown and the beach area would provide the strongest linkages between the two areas. Specific strategies for strengthening these linkages are outlined in Appendix 2 of the Plan.

Summary of the Original 1991 Plan Recommendations

Immediate Action (0-5 Years)	Medium to Long Term (More than 5 Years)
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LAND USE AND URBAN DESIGN

1. Intensify downtown Santa Cruz as the principal retail, restaurant, and commercial district of the city and region.

- | | | |
|---|---|--|
| a. Require continuity of active ground-level uses (retail, restaurant, cultural, etc.) along Pacific Avenue. | ✓ | |
| b. Create a distinctive and active pedestrian environment that supports the downtown retail district as a unique destination. | ✓ | |
| c. Maximize opportunities for outdoor eating to reinforce the downtown as a food and entertainment destination. | ✓ | |
| d. Maintain and encourage local-serving support retail uses along Cedar and Front streets. | ✓ | |
| e. Create a Central Retail Management entity, responsible for retail recruitment, retention, and the management of the downtown district. | ✓ | |

2. Create significant new housing opportunities within the downtown area.

- | | | |
|---|---|---|
| a. Expand the existing High Density Overlay Zone to include all areas of the downtown east of Cedar Street. | ✓ | |
| b. Permit/encourage housing as a principal upper-level use throughout the downtown. | ✓ | |
| c. Encourage redevelopment of the riverfront between Soquel Avenue and Laurel Street for mixed-use development, with required upper-level residential uses. | | ✓ |
| d. Encourage future redevelopment of the Long's-Zanotto's site for mixed-use development, with required upper-level residential uses. | | ✓ |
| e. Consider reuse of portions of City parking lots for residential redevelopment as replacement parking is provided in new structures. | | ✓ |
| f. Encourage replacement of SRO units throughout downtown. Limit size of SRO developments to 60 units. | ✓ | ✓ |

	Immediate Action (0-5 Years)	Medium to Long Term (More than 5 Years)
g. Encourage future redevelopment of south of Laurel area as mixed-use residential neighborhood.	✓	✓
h. Establish a comprehensive housing implementation strategy for the delivery of market-rate and affordable housing in the downtown.	✓	
3. Concentrate and intensify office development within the downtown.		
a. Permit/encourage office use as a principal upper-level use, except in the designated areas where residential is required.	✓	
b. Allow for additional height and intensity at the core of downtown (north of Cathcart along Pacific Avenue) to attract office development.	✓	
c. Discourage major speculative office development in other parts of the city that would most appropriately locate in downtown.	✓	
d. Coordinate with office developers for the provision of office parking that reinforces the overall objective of the Parking District.	✓	
4. Preserve and enhance the distinctive scale and character of downtown Santa Cruz.		
a. Maintain the predominantly two- to three-story form and character of downtown through height limits of 35 feet west of Cedar Street and north of Water Street, and 45 feet in the remainder of the downtown.	✓	
b. Allow additional height to 75 feet in the downtown core, under specific conditions that ensure appropriate transitions to architecturally significant buildings and maintain solar access.	✓	
c. Allow additional height in the North Pacific area to 45 feet, subject to urban design considerations and maintenance of views to Mission Hill.	✓	
d. Adopt urban design guidelines that reinforce: the unique townscape character of Santa Cruz; the incremental pattern of development; the pedestrian environment; and the human scale and quality of buildings.	✓	

- | | Immediate
Action
(0-5 Years) | Medium to
Long Term
(More than
5 Years) |
|---|------------------------------------|--|
| e. Require that new development strive to achieve an "optimum state" of accessibility, beginning with compliance with both the State of California's <i>Title 24 Accessibility Requirements</i> and the <i>Uniform Federal Accessibility Standards (UFAS)</i> . | ✓ | |
| f. Preserve historic structures to the maximum extent possible. | ✓ | |

CIRCULATION AND PARKING

- 1. Improve vehicular circulation patterns in a way that conveys a feeling of convenience and orientation, and that reinforces the pedestrian character of the downtown.**
 - a. Design Pacific Avenue to allow for traffic to enter the downtown from both Water Street at the north and Cathcart Street on the south. ✓
 - b. Design Pacific Avenue between Water and Cathcart to allow for maximum operational flexibility, as described in the Circulation Plan. ✓
 - c. Reconfigure intersections at River and South River Streets and at River and Front Streets to promote the Front Street/River Street corridor as a principal north-south collector in the downtown. ✓
 - d. Consider creation of an east-west local roadway between Front and South River streets in conjunction with future redevelopment of the Long's-Zanotto's property. ✓
 - e. Consider creation of an east-west local roadway between Cedar and Center Streets in conjunction with future redevelopment of the City parking lot between Lincoln and Cathcart Streets. ✓
 - f. Maintain and enhance existing service alleys to promote rear service and to create attractive pedestrian ways. ✓
 - g. Extend the system of secure alleys as part of redevelopment, to the maximum extent possible. ✓
 - h. Coordinate with existing property owners to resolve the problems of exposed garbage areas through centralized garbage facilities. ✓
 - i. Control service and loading from Pacific Avenue by limiting to non-peak business hours. ✓

	Immediate Action (0-5 Years)	Medium to Long Term (More than 5 Years)
2. Provide convenient and accessible parking in the downtown.		
a. Maintain the Parking District as the principal method of providing parking in the downtown (south of Water Street).	✓	
b. Maximize curbside parallel parking along Pacific Avenue to reinforce the feeling of a convenient and accessible downtown.	✓	
c. Maintain, to the maximum extent possible, on-street parking on other streets within the downtown.	✓	
d. Consolidate public and private properties to reinforce and expand the existing system of off-street parking along Cedar and Front Streets.	✓	✓
e. Provide ample and secure bike parking along Pacific Avenue and within existing and planned parking structures.	✓	✓
3. Provide for the efficient operation of transit in the downtown to reduce the impacts of the automobile and reinforce the pedestrian environment.		
a. Provide for continued safe and efficient bus access to the Metro Center from Pacific Avenue.	✓	
b. Introduce a rubber-tired "trolley" service to provide a transit linkage between downtown and the beach.	✓	
c. Design Pacific Avenue to be able to accommodate a future fixed-rail trolley or light-rail vehicle within the roadway.	✓	
d. Consider and explore strategies for inter-city rail service to downtown Santa Cruz.	✓	✓
e. Maintain inter-city (e.g., Greyhound) bus service in the downtown, either in the existing facility or as part of a consolidated facility within the Metro Center.	✓	
4. Maintain and enhance the existing system of bike routes within the downtown.		
a. Improve the San Lorenzo River as an exclusive Class 1 bike route.		✓
b. Add Cooper, Church and Locust Streets to the system of posted bike routes in the downtown.	✓	

	Immediate Action (0-5 Years)	Medium to Long Term (More than 5 Years)
c. Design Soquel and Walnut Avenues, and Lincoln and Cathcart Streets, to have dedicated bike lanes installed.	✓	

5. Strengthen pedestrian access to and movement within the downtown.

a. Improve Pacific Avenue as the primary pedestrian corridor in the downtown, with minimum sidewalk widths of 12 feet.	✓	
b. Improve the San Lorenzo Riverfront as an exclusive pedestrian corridor between the Beach and the downtown.		✓
c. Improve Cathcart Street as an east-west pedestrian linkage between the river, Pacific Avenue, and downtown neighborhoods.	✓	✓
d. Strengthen the pedestrian linkage between downtown and San Lorenzo Park with short-term streetscape improvements at the Galleria and the western landing of the pedestrian bridge; and longer-term improvements, including an east-west roadway through Long's-Zanotto's and an expanded pedestrian bridge.	✓	✓
e. Strengthen the pedestrian linkage to neighborhoods east of the river through a new pedestrian bridge between Soquel and Laurel Street connecting to the Metro Center.		✓
f. Improve pedestrian linkages between downtown and Mission Hill through an expanded Scope Park and stair linkage.		✓
g. Enhance pedestrian linkages to Beach Hill and the Beach through streetscape improvements along Cliff Street and the stairways leading to Pacific Avenue (at Third Street) and the riverfront (at Cliff Street).		✓

STREETSCAPE AND OPEN SPACE

1. Improve Pacific Avenue as the downtown's major public gathering place, and as a viable retailing street.

a. Introduce, north of Cathcart, an asymmetrical cross section that provides for a wider (20 to 25 feet) sidewalk on the sunnier, west-facing side of the street to support a diversity of activities, and a comfortable promenading sidewalk (12 to 15 feet) on the east-facing side.	✓	
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	Immediate Action (0-5 Years)	Medium to Long Term (More than 5 Years)
b. Introduce, south of Cathcart, a landscaped median to reinforce the continuity and sense of place in this area.	✓	
c. Maintain a strong sense of visual and pedestrian continuity along the entire length of the street.	✓	
d. Provide unobstructed access to all citizens, in compliance with Uniform Federal Accessibility Standards and State Title 24 Accessibility requirements.	✓	
e. Introduce a consistent treatment of boulevard trees along the length of the street that is high-branching, light in appearance, and suitable to urban environments.	✓	
f. Provide decorative pedestrian-scaled lighting that can support banners and holiday decorations.	✓	
g. Introduce public seating in conjunction with other activities (e.g., retail kiosks) at the key "T" intersections along Pacific Avenue.	✓	
h. Introduce ground-level planting at the "T" intersections and on the median south of Cathcart.	✓	
i. Allow for the extension of cafe and retail uses within the public right-of-way, subject to design standards and management guidelines.	✓	
2. Create additional open space opportunities in the downtown that have meaning and significance.		
a. Create a riverfront park at the foot of Cathcart Street to reinforce public access to, and use of, the river.		✓
b. Enhance open space opportunities at the northern tip of Pacific Avenue to accentuate the gateway role of this area and reinforce the significance of the post office and town clock.	✓	
c. Create a new park on the existing parking lot north of the planned Locust Street garage and along Plaza Lane.	✓	
d. Consider the creation of a more active public gathering space within the Civic Center area.		✓

Immediate Action (0-5 Years)	Medium to Long Term (More than 5 Years)
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3. Introduce streetscape improvements on other downtown streets to improve one's sense of arrival and the cohesiveness of the district.

- | | | |
|--|---|---|
| a. Maintain and expand, to the maximum extent practical, sidewalks along east-west streets in the downtown. | ✓ | ✓ |
| b. Create distinctive landscape/streetscape along major east-west gateway streets/avenues and bridges (e.g., Water, Soquel, Laurel). | | ✓ |
| c. Enhance the Front Street/River Street corridor with consistent streetscape treatment from the highway to the Beach. | | ✓ |

The Downtown Plan calls for a balanced mixture of uses that will reinforce downtown Santa Cruz as a place of commerce, culture, and recreation: a place that people choose to go to meet friends; a place that naturally and spontaneously accommodates civic events; and a place where people live and work. Because of the desire to retain a mixed-use environment that includes a vertical as well as a horizontal mix of uses, there are no distinct land use zones within the downtown. Rather, the Downtown Plan identifies four subareas, each with its own distinct characteristics. These include:

- a. ***The Pacific Avenue Retail District***, including a one-half block depth for all parcels fronting onto Pacific Avenue between Water and Laurel Streets;
- b. ***The Front Street/Riverfront Corridor***, including the one-half block depth of property on the west side of Front Street, and all parcels adjacent to the riverfront between Water and Laurel Streets;
- c. ***The Cedar Street "Village" District***, generally situated between the Pacific Avenue Retail District on the east and Center Street on the west; and
- d. ***The North Pacific Area***, situated between Water Street, River Street, and the Mission Hill escarpment.

This chapter describes the proposed land uses for each of these four subareas and highlights the key development standards pertaining to height, bulk, and design treatment. In addition, specific policies and land use regulations are presented for retail, housing, and office uses in the downtown. The following chapter provides a more comprehensive description of development standards (including permitted uses) and urban design guidelines.

Pacific Avenue Retail District

Pacific Avenue is the historic main street of Santa Cruz, serving as the principal focus of commercial activity in the region and recognized as the main center of public life in the community. It is the place that people naturally congregate for civic events, the place where people can expect to meet others on a more spontaneous basis, and a place that is uniquely suited to the needs of the Santa Cruz consumer.

The most devastating effect of the Loma Prieta earthquake of 1989 was within the Pacific Avenue Retail District; in 15 seconds, the earthquake destroyed the commercial and social heart of the community, a place that had evolved over more than a century. In guiding the redevelopment of private properties along Pacific Avenue, it was important to preserve the unique qualities that occur within the district: its human scale; the incremental and rich pattern of development; the architectural diversity and interest of many of the buildings; and the continuity of active public-oriented uses along the street. While many historic buildings were destroyed or damaged beyond repair, historic structures should be preserved to the maximum extent possible, where appropriate.

It is not the intent of the Downtown Plan and the development standards and guidelines presented in

the following chapter to merely cause the past to be replicated. Rather, the Downtown Plan recognizes the opportunities to improve the Pacific Avenue Retail District: to intensify and diversify the type of activities; to make the street more comfortable to a wider range of people; and to encourage development that is sensitive to the past but that is appropriate to the future, both in terms of retailing and the public life of the community.

The Downtown Plan calls for the intensification of Pacific Avenue as a mixed-use district. Active public-oriented retail, restaurant, entertainment, and cultural uses are considered the primary activity at street level; other uses will be permitted on a conditional basis, if they meet the principal criteria of supporting the active pedestrian environment that is desired. Upper-level office and residential uses are encouraged along Pacific Avenue as a primary support to the ground-level retail uses. As described below, housing is encouraged as a permitted use throughout the downtown. It is recommended that residential projects be dispersed throughout the downtown district. For projects on sites smaller than 20,000 square feet, on-site parking is discouraged within this subarea in favor of centralized and shared parking provided by the Parking District.

The development standards and design guidelines for the Pacific Avenue Retail District call for maintaining the form and character of the existing downtown. Specific criteria are established to allow development to be intensified up to 85 feet, within the area located along Pacific Avenue from Water Street to Laurel Street. The intent of the criteria is to encourage an intensification of activity and population within the core of the downtown but, at the same time, to ensure that a sensitive transition or design integration is made between taller development and existing buildings of historic or architectural value; a principal intent of the criteria is also to maximize solar access to the sidewalks to ensure an active and comfortable pedestrian environment throughout the year.

The standards and guidelines also focus to a great extent upon the effect of private development on the pedestrian's experience. In addition to the types of ground-level land uses, the treatment of ground-level storefronts is also of critical importance to ensure that the pedestrian's experience along the street is reinforced and that new private development extends and enhances the streetscape improvements within the public realm.

The Front Street/Riverfront Corridor

The Front Street/Riverfront Corridor forms an eastern edge to the Pacific Avenue Retail District and creates a transition between the more intensive commercial district and the riverfront. The role of Front Street as an important arterial distributing traffic to, through, and around the downtown has caused it to evolve as a destination retail district, with a major supermarket, drug store, and a specialty retail center backing up to the river. This role is one that is complementary to the more intensive, specialized, and pedestrian-oriented nature of Pacific Avenue, and its maintenance and enhancement is encouraged. Ground-level commercial uses, including destination retail uses, personal service, financial, and office-related uses, are permitted uses along the street. Permitted upper-level uses include office and residential, as well as river-oriented commercial uses connecting to the Riverwalk. This mix of uses serves to reinforce the downtown as a place to live, shop and work; as well as enhances the pedestrian environment and feeling of security along the river.

The pattern of development that has occurred along the Front Street/Riverfront Corridor is one that has largely "turned its back" on the San Lorenzo River. Major recommendations of the City's 1988 San Lorenzo River Design Plan, the 2003 San Lorenzo Urban River Plan, and the 2010 River/Front

and Lower Pacific Design Guidelines and Development Incentives study, all promote enhancing the recreational resource of the river within the downtown and to orient Front Street development in a more positive way to the river. This Downtown Plan includes development standards that promote better access and incentives to redevelop the Front Street/Riverfront Corridor properties.

The Downtown Plan reinforces this objective by encouraging active ground-level uses, including retail shops and restaurants adjacent to Front Street and the Riverwalk. In addition, the Downtown Plan calls for residential, office, or restaurants as upper-level uses east of Front Street between Soquel and Laurel, to take advantage of the riverfront amenity, to reinforce the downtown as a place to live as well as shop and work, and to enhance the pedestrian environment and feeling of security along the river. The Downtown Plan requires at least 60 percent of the square footage of development within these areas (not including parking) to be provided in residential uses. . The guidelines for riverfront development, however, recognize the need to maintain the public nature of the riverfront corridor and include provisions for public access from Front Street, reasonable solar access to the Riverwalk, the articulation of the building mass, and the provision of active ground-level uses.

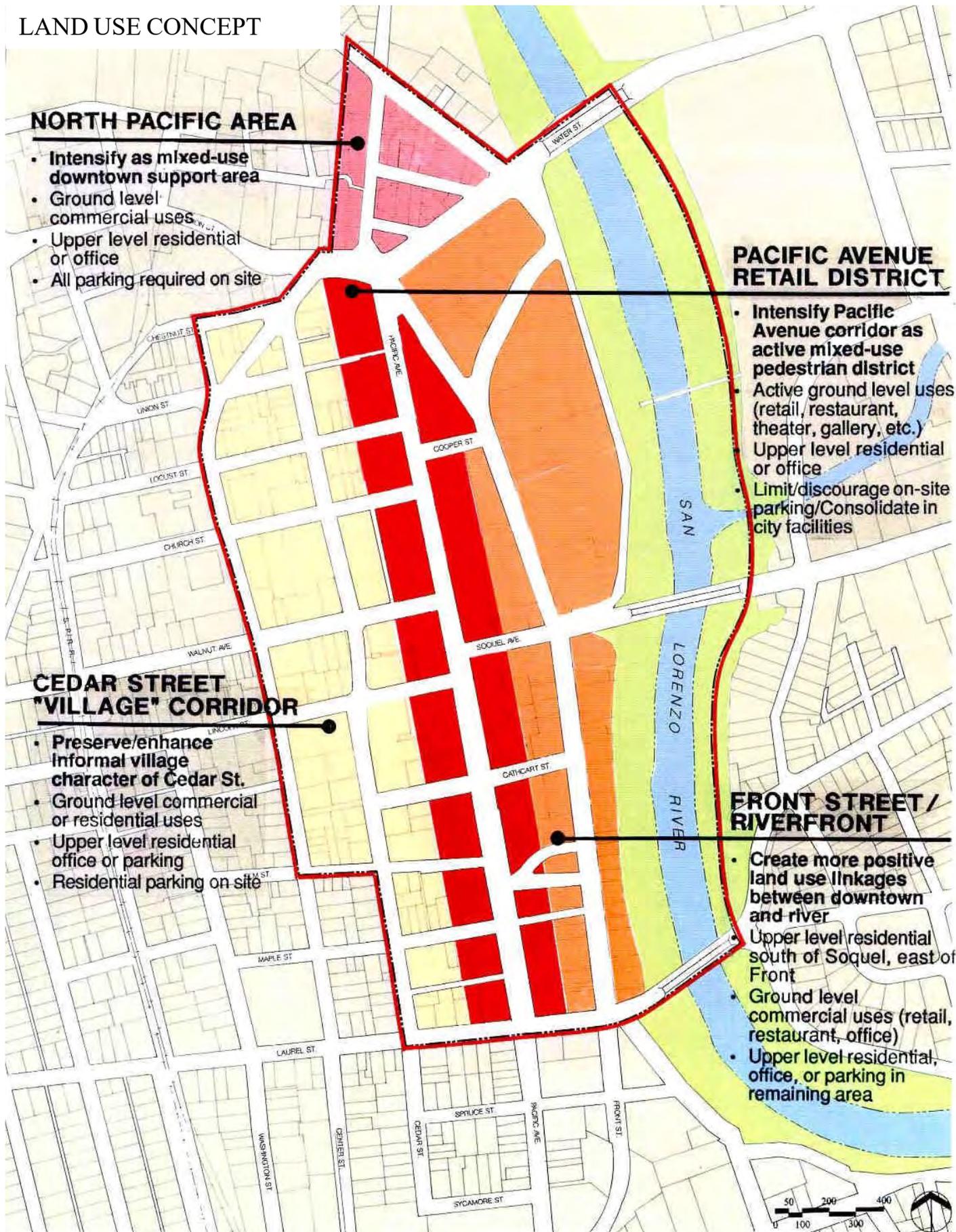
The flood improvements completed per the previously adopted river plans allowed for the removal of the floodplain designation and National Flood Insurance requirements from the properties that abut the east and west sides of Front Street. Prior to the FEMA certification of the completed improvements, new development must comply with FEMA Flood Zone A-99 standards for development within the floodplain, as well as the guidelines provided for below. New projects constructed along this portion of the FEMA floodplain shall be designed to create a positive connection with the San Lorenzo Riverwalk. The FEMA guidelines define construction treatments for various uses within the floodplain.

In addition to the Front Street/Riverfront Corridor between Laurel and Soquel, the Downtown Plan also designates the parking lot and adjacent commercial properties on the north east corner of Soquel Avenue and Front Street for future potential mixed-use residential development. Such a development could maintain ground-level retail and convenience uses, integrated with up to 3 levels of upper-level residential development (to a maximum height of 45 feet), highly articulated to create an attractive edge to the riverfront and an interesting and varied silhouette.

Parking for both the commercial and residential components of the development would be encapsulated on two levels within the podium base of the project and screened from public view by the ground-level retail uses. Development would be required to meet the provision for at least 60 percent of the square footage (not including parking) to be provided in residential uses.

Along the western edge of Front Street, key opportunities need to be preserved for public downtown parking. Specific standards and guidelines for the treatment of surface parking lots and for the development of parking garages are outlined in the following chapter.

LAND USE CONCEPT



The Cedar Street Village Corridor

The Cedar Street Corridor is immediately west of the Pacific Avenue Retail District. The area provides an appropriate transition in scale and use between the downtown and the adjacent residential neighborhoods and the civic center. In contrast to Front Street, which plays a destination retail role, Cedar Street serves as a more local-serving street with a mixture of professional offices, support and convenience retail, and restaurant uses. Unlike Pacific Avenue, which developed in a relatively consistent manner with a strong "street wall" of buildings, Cedar Street is more diverse in nature, with a mixture of one and two-story structures of varied setbacks. Many of the buildings are wood frame structures with a strong residential character.

The land use plan and the standards and guidelines strive to preserve and enhance the informal "village" qualities of the Cedar Street Corridor. Unlike the Pacific Avenue district, permitted ground-level uses include office in addition to retail, and residential uses are allowed at the ground level along the east-west streets and Center Street. No strict "build-to" lines are established, and the height of development is purposely stepped down to a maximum of 35 feet, or three floors.

Like the Front Street/Riverfront Corridor, the Cedar Street Village Corridor plays an important role in providing parking facilities for Pacific Avenue. It is particularly important to ensure that if future parking structures are constructed in this area, that they -be designed in a way that is supportive of the village character of the district and at a scale compatible with the adjacent neighborhoods. To this end, all parking structures in this subarea are required to step down to 35 feet adjacent to public streets.

Upper-level residential uses are particularly encouraged within the Cedar Street subarea to intensify the resident population of the downtown and to create an appropriate land use transition to the adjacent neighborhoods.

The North Pacific Area

The area of the downtown north of Water Street is unique from the remainder of the district to the south. Situated at the foot of Mission Hill and between River Street and Water Streets, this subarea plays an important gateway role for motorists entering the area from the north and the east. The Town Clock and Scope Park at North Pacific and Water Street intensifies this gateway role and creates a visual and activity linkage with the downtown core to the south.

North Pacific Avenue also plays an important gateway function to the downtown, providing a linkage from River Street to the Town Clock and the Pacific Avenue Retail District to the south. North Pacific itself has evolved as a unique street; its narrow right-of-way and small-scale retail buildings nestled against the escarpment of Mission Hill create an intimate village-like quality.

As the downtown area intensifies, the light industrial uses in the North Pacific area will naturally evolve to more urbanized uses. The Downtown Plan calls for a mixture of office, residential, and retail uses that can support the primary commercial uses of the Pacific Avenue area to the south

A maximum height of 35 feet (2 floors of commercial, or 1 floor of commercial with 2 floors of residential above) is proposed for the North Pacific area. Additional height up to 45 feet (3 floors of commercial, or 1 floor of commercial with 3 floors of residential above) is allowed for properties

east of North Pacific Avenue, if visual analyses indicate that views to Mission Hill from the Water Street Bridge are preserved and if additional height is highly articulated.

Portions of -the North Pacific Area are not located within the City's parking district and, as such, parking must meet overall City standards and be provided on site.

Retail

A critical objective of the Downtown Planes the revitalization and intensification of downtown Santa Cruz as the principal retail and commercial district of the city and region. Retail is the land use component most critical to the success of the downtown. Without a strong and diverse retail base, the downtown cannot function as a viable center for the community. Clearly, a major strength of the downtown is its unique retailing personality, which has evolved as a result of strong local merchants and a loyal customer base. The Downtown Plan proposes that this base be built upon further, by means of the following policies:

Downtown Plan Retail Policies

- a. Retail uses that generate pedestrian interest and activity shall be the predominant permitted use for the street level of development throughout the downtown as outlined in the Central Business District Use Allowances tables in Chapter 4 of the Plan.
- b. The design of Pacific Avenue, and the development standards and design guidelines, should maximize opportunities for outdoor eating (e.g., cafes) to reinforce the downtown's image and identity as a vital food and entertainment district.
- c. The design of Pacific Avenue, and the development standards and design guidelines, should be aimed at creating a distinctive and active pedestrian environment that supports the downtown as a unique retail destination, comfortable to a complete range of users.

The Downtown Management Corporation should be retained to continue to improve public perception of downtown Santa Cruz by enhancing safety and security; provide information and direction to shoppers and visitors in downtown Santa Cruz; and provide a visible presence in downtown Santa Cruz to observe and report street disorder.

Housing

A major objective of the "First Principles" is the creation of significant new housing opportunities within the downtown. It is recognized that while the downtown must function as a viable commercial center, it should also be an attractive place to live. The combination of retail and office uses with a

wide range of residential units will extend and enrich the life of the downtown and serve to make it a more attractive place for residents, employees, and visitors alike. Toward this objective, the following housing policies were established by Vision Santa Cruz in its "First Principles" document and are supported by the Plan:

- a. A mix of housing should be developed, including development of new housing areas and a variety of types (apartments, condominiums, SRO's) serving a range of needs and income groups. No one housing type should predominate.
- b. The City's current 15 percent affordability requirement should be maintained.
- c. Numeric goals for housing should be established for types, market served, and locations which are achievable and take into account costs and feasibility. Specific locations should be evaluated for housing potential including Pacific Avenue, South of Laurel and along the San Lorenzo River, adjacent to the parking lots at the north east corner of Soquel Avenue and Front Street.
- d. Housing in the downtown should be well designed, well maintained, and well managed in order to fit well in the new downtown fabric.
- e. Reconstructed post-Loma Prieta earthquake SRO housing should be retained.

General Plan 2030

In November of 1990, the City Council adopted a High Density Overlay Zone (HDO) for the Pacific Avenue corridor between Water and Elm Streets, which provided density bonuses for residential development within commercial mixed-use projects. This overlay district became obsolete with the adoption of the General Plan 2030 in 2012. The Regional Visitor Commercial land use designation (applicable to downtown) includes new floor area ratio (FAR) ranges that supersede the HDO district.

Downtown Plan Housing Policies

- a. The Downtown Plan reconfirms housing as a permitted upper-level use throughout the downtown and introduces the potential for ground-level residential (e.g., townhouses) on the east-west streets west of Cedar Street and along Center Street.
- b. The Plan reconfirms the density provisions of the ordinance, and provides for more detailed height and massing criteria and design guidelines for housing within each subdistrict of the downtown.
- c. The Downtown Plan identifies the area along the San Lorenzo River, east of Front Street between Soquel Avenue and Laurel Street, and the properties at the

north east corner of Soquel Avenue and Front Street as areas where upper-level housing is encouraged as the primary use of any redevelopment project that occurs. This provision recommends that at least 60 percent of the square footage within these projects (not including parking) be devoted to housing.

- d. The Downtown Plan supports the retention of all SRO housing units reconstructed after the Loma Prieta earthquake. The Downtown Plan further recommends that additional SRO projects dispersed throughout the downtown and that individual development not exceed 60 units without City Council approval, to avoid the creation of a single district that will dominate other critical activities within the area.
- e. Although the area south of Laurel Street is beyond the boundaries of the Downtown Plan, the Beach/South of Laurel Plan recognizes the great potential for this area to be redeveloped as an in-town neighborhood that: supports the downtown as a mixed-use district; extends the existing pattern of residential uses from Beach Hill and the downtown neighborhoods; takes advantage of the amenity of the river; and creates a more positive activity linkage between the downtown and the Beach.
- f. All residential projects within the downtown must meet off-street parking requirements of the zoning ordinance, unless they are situated within the parking district, in which case they shall adhere to the requirements of the district.
- g. Beyond regulatory requirements, a comprehensive housing implementation strategy should be established to develop a feasible program for the delivery of market-rate and affordable housing units in the downtown. Measures could include developer incentives such as land write-downs, public participation in financing, parking reductions and direct subsidies, as appropriate. Exactions on commercial developers for the provision of residential units are not recommended.

Office

Historically, downtown Santa Cruz has served as the principal government, business, and service center for North County. This role has reinforced the significance of the downtown as an important destination and has provided direct support for retailing uses. The Downtown Plan strongly encourages the concentration and intensification of office uses within the downtown, where employees can best take advantage of existing and future transit service, where broader environmental objectives related to the improvement of air quality and transportation can be best served, where additional employees can contribute to the creation of an active and viable urban center, and where they can be best served by downtown retail activities.

Office Policies

The Downtown Plan recommends the following land use policies as a means of reinforcing the downtown as the principal office and employment center in the city and region:

- a. Office use should be a permitted upper-level use throughout the downtown, except in the designated areas where residential is a required upper-level use.
- b. Major speculative office development projects (e.g., greater than 10,000 square feet) that would be an appropriate downtown use should be discouraged in other parts of the City.
- c. The City and Parking District No. 1 should coordinate with office developers for the provision of convenient off-site parking that can meet private requirements as well as public objectives for well-designed centralized parking facilities.

**A. ALL CENTRAL BUSINESS DISTRICTS
LAND USES**

All new construction shall require approval of a Design Permit, regardless of type of use.

1. Prohibited Uses

The uses described in subsection (a) below, are deemed inconsistent with the goals, policies and objectives of the Downtown Plan and are, therefore, prohibited within the Downtown Plan (Plan) portion of the Central Business District as either a stand-alone use or an accessory or temporary use. Such uses that lawfully existed within the Plan area prior to the adoption of this provision are deemed non-conforming and may continue only at the same location at the same intensity or less for a period of no more than 20 years from the effective date of the Zoning Ordinance amendment (October 10, 2000), after which time the use shall be completely removed or converted to a conforming use. The uses described in subsection (b) below shall be deemed a public nuisance and shall be immediately abated according to the provisions of the Zoning Ordinance or other applicable City Codes or Ordinances.

Uses that are prohibited within any of the Downtown Plan subdistricts.

- a. Uses not permitted include, but are not limited to, the following: medical and recreational cannabis provider dispensaries; rent, sales or service of automobiles, trucks, recreational vehicles, motorcycles or trailers; sale of firearms; general advertising signs; sale of alcoholic beverages for off-site consumption requiring ABC liquor license Numbers 20 or 21 (liquor stores), with the exception of the sale of alcohol for off-site consumption that is clearly incidental to other principally permitted uses, that represents less than fifteen percent of the total shelf space in the business, and that complies with the operational criteria specified in Table 4-1 of Chapter 4, herein, inclusive of the additional regulations referenced in said table; drive-up facility; or drive-through facility.
- b. Nuisance Activities. No use, even though listed as a permitted use or otherwise allowed, shall be permitted which, by reason of its nature or manner of operation, is deemed by the Zoning Administrator to be creating a condition that is hazardous, noxious, or offensive through the emission of odor, fumes, smoke, cinder, dust, gas, vibration, glare, refuse, water-carried waste, or excessive noise. Such use shall be subject to violation abatement procedures, which may result in revocation of the use permit.

2. Accessory Uses

Accessory uses, as defined in Section 24.22.013 of the Zoning Ordinance, shall be limited to the use of no more than one quarter (1/4) of the total floor area occupied by the permitted use.

3. Temporary Uses

Temporary uses, as defined in Section 24.22.879 of the Zoning Ordinance, shall be limited to the following activities and standards:

- a. The following activities if they are sponsored by a government entity or an organized group of businesses, property owners or residents of the CBD:
 - i. Neighborhood, District or Citywide-oriented carnival, circus, street fair, exhibition, celebration or festival;
 - ii. Booth for educational, charitable, patriotic or welfare purposes;
 - iii. Open air sale of agricultural products, including seasonal decorations.
 - iv. Open air sporting event;
 - v. Arts or crafts sale or artistic performance event; or
 - vi. Surface parking open to the public.

- b. The following activities if they secure the proper permits, if applicable, from City agencies: Parades, civic events, and advertised citizen gatherings.

TABLE 4-1: Central Business Districts Use Allowances — Ground Floor (Street Level)					
P = Principally Permitted A = Administrative Use Permit S = Special Use Permit "—" = Not Permitted					
<i>Use Categories</i>	<i>Pacific Avenue Retail</i>	<i>Front Street Riverfront</i>	<i>Cedar Street Village</i>	<i>North Pacific</i>	<i>Additional Regulations</i>
<i>Residential</i>					
Community Care Residential Facility	—	—	P/A	—	(1)
Dwellings, Multiple and Townhouse	A	A	A	A	(2)
Dwellings, One-Family & Two-Family	—	—	P	—	(2)
Dwellings, Small Ownership Housing	A	A	A	A	(2)
Dwellings, SRO Single Room Occupancy Housing	A	A	A	A	(2)
Family Day Care Homes, Small	—	P	P	P	(1)
Family Day Care Homes, Large	A	A	A	A	(1)
Supportive and Transitional Housing	A	A	A	A	(1)

TABLE 4-1: Central Business Districts Use Allowances — Ground Floor (Street Level)

P = Principally Permitted
 A = Administrative Use Permit
 S = Special Use Permit
 “—” = Not Permitted

<i>Use Categories</i>	<i>Pacific Avenue Retail</i>	<i>Front Street Riverfront</i>	<i>Cedar Street Village</i>	<i>North Pacific</i>	<i>Additional Regulations</i>
<i>Commercial</i> (3)					
Banks and Financial Institutions	A	P	A	P	(4)
Business Support Services	A	P	P	P	
Eating and Drinking Establishments					
- Bar, Tavern	A	A	S	A	(5)
- Brewpubs	A	A	A	A	(5)
- Bona Fide Restaurant	P	P	P	P	(5)
- Tasting Rooms	A	A	A	A	
- Breweries, Distilleries and Wineries	A	A	A	A	(6)
General Market	P/A	P/A	P/A	P/A	(7)
Hotels / Motels	A	P	A	P	(8)
Instructional Services - Schools, Business and Technical	A	A	A	A	(9)
Live/Work Quarters	A	A	A	A	(10)
Nightclubs and Live Entertainment	S	S	S	S	(11)
Offices, Professional	A	A	A	P	(12)
Parking Facilities, Surface and Structured	A	A	A	A	(13)
Personal Services					
- General Personal Services	A	A	A	P	(14)
- Health/Fitness Studio	A	A	A	A	(15)
Retail Sales	P	P	P	P	(7), (16)
Theaters/Commercial Entertainment	P	P	S	P	
Thrift Stores/Pawn Shops	S	S	S	S	(17)
<i>Institutional and Community Facilities</i> (3)					
Community/Religious Assembly	A	A	A	A	
Day Care Centers	A	A	A	A	
Government Buildings	P	P	P	P	
Medical Centers and Clinics	A	A	A	A	(12)
Museums/Galleries/Cultural Institutions	A	A	A	A	(18)
Social Service Centers	A	A	A	A	
Other Similar Uses as Determined by the Zoning Administrator to be consistent with the purpose of the subdistrict	P/A/S	P/A/S	P/A/S	P/A/S	

Additional Regulations – Ground Floor Uses.

(1) Community Care Residential Facilities. Facilities with fewer than 7 persons are principally permitted uses in the Cedar Street Village District. Facilities with 7 or more persons require approval of an Administrative Use Permit (AUP). Supportive and Transitional Housing facilities are allowed with only those restrictions that apply to similar residential uses.

(2) Multi-Family Housing. (Including Single-Room Occupancy projects subject to standards set forth in 24.12.) In all districts where multi-family housing requires an AUP, common residential lobbies for upper-level residences are allowed at ground level with active ground level common spaces publicly visible. Within the Cedar Street Village, ground-level residential uses are permitted on the side streets west of Cedar Street and along Center Street. Direct access between individual townhouse units and the street are strongly encouraged through the use of porches and front "stoops". In the Front Street/Riverfront Corridor and North Pacific Area, the first floor of units shall be elevated above the sidewalk level 5 feet. For Front Street/Riverfront Corridor, allow for ground level residential uses provided that such uses are internal to a block and do not face Front Street, Laurel Street, Cathcart Street, Soquel Avenue, River Street, North Pacific, or any public pedestrian paseo or lane. Individual housing unit entrances with direct access to Front Street are prohibited within 60 feet of Front Street from Soquel Avenue and Laurel Streets and along the frontages of public passageways between Front Street and the Riverwalk.

(3) Commercial and Non-Residential Uses. These uses adjacent to public passageways in the Front Street/Riverfront Corridor shall be accessible from Front Street and the Riverwalk.

Large Non-Residential Ground-Level Uses. These uses exceeding sixteen thousand (16,000) gross square feet per single-tenant/establishment require approval of a Special Use Permit (SUP) by the City Council after review and recommendation by the Planning Commission. In addition to the findings for SUP issuance required under Section 24.08.050, a SUP required by this subsection shall not be issued unless the following additional criteria, findings and conditions related to the public benefits provided by the proposed project are made by the City Council.

- a. The use adds a desired, “targeted” business to the Downtown, which would serve to diversify the Downtown Plan area ground-level business base;
- b. The use provides a public benefit and contributes to an appropriate balance of local or non-local businesses. For the purposes of this finding, it shall be presumed that local businesses serve to sustain the authenticity and unique retail character of the downtown business mix. However, non-local businesses may add to retail draw and contribute to overall downtown vitality in certain circumstances;
- c. The use contributes to an appropriate balance of small, medium and large-sized businesses in the downtown area to diversify the ground-level business mix; to insure the maintenance of the “Santa Cruz” identity, unique character and authenticity; to seek to reduce economic “leakage” of sales out of the City and County; and to induce local investment and employment to the downtown area;

- d. The design of the façade of the proposed use meets the design standards and guidelines of the Downtown Plan and is not restricted by corporate standardized or trademarked exterior design, signage, materials, color or other visual treatments;
- e. The proposed use would be a good neighbor and contribute to the community life of the downtown by participating in such community activities as: (1) Membership in downtown merchant, resident, neighborhood improvement organizations and/or assessment districts; (2) to the greatest extent feasible, hiring local residents; and (3) hosting or participating in downtown festivals, fairs, benefit events and similar neighborhood activities; and
- f. If applicable, all food and/or beverage service activities shall be conducted in accordance with the following “good neighbor operating procedures” for such uses.
 - i. Sufficient trash and recycling receptacles shall be provided and shall be regularly maintained;
 - ii. All debris boxes shall be screened and kept on the premises in a designated or approved location;
 - iii. The operator shall be responsible for cleaning the sidewalk within fifty (50) feet horizontal distance from the premises during the hours of operation to maintain the sidewalk free of paper, spillage or other litter; and
 - iv. Noise, glare and odors shall be contained within the premises so as not to be a nuisance to neighbors. Under no circumstance shall the ventilation outlets or motors cause emission of objectionable odors or noise directed toward neighbors.

(4) Banks and Financial Institutions. These uses may be allowed when there is no other bank within the contiguous block.

(5) Eating and Drinking Establishments. All uses within this category shall be subject to City and State alcohol regulations. When applicable, all fast food and/or beverage establishments (defined in the Zoning Ordinance) shall be conducted in accordance with the “good neighbor” operating procedures listed in Section 3.f.

(6) Breweries, Distilleries and Wineries. These manufacturing uses are allowed in these districts only when they contain at least 25% of floor area devoted to retail and/or tasting of the product manufactured on the premises. Street-oriented active store frontage is required.

(7) Sale of Alcohol for Offsite Consumption. Retail establishments with the Department of Alcoholic Beverage Control license numbers 20 and 21 including general markets may sell alcohol for offsite consumption with approval of an administrative use permit if the sale of alcohol is clearly incidental to other principally permitted uses and represents less than fifteen percent of the total shelf space in the business; the business conforms with Section 24.12.1106(10) of the Santa Cruz Municipal Code; the hours of alcohol sales are limited to 7:00 a.m. to 12:00 a.m.; security mitigations approved by the Police Department to help prevent theft and sale of alcohol to minors, including but not limited to the potential for requiring alcohol to be located where it can be monitored by store personnel or security cameras, are provided; and single-serving alcohol containers other than beer are not provided for sale. This exception to the prohibition on single-serving alcohol containers does not include malt liquor, which remains prohibited.

Existing businesses that were approved to sell alcohol for offsite consumption prior to the enactment of the operational criteria are not required to obtain new administrative use permits but are required to comply with the operational criteria by October 10, 2020.

If the sale of alcohol for offsite consumption use is determined by the Planning or Police Departments to be a nuisance or to otherwise frustrate the intent of the Downtown Plan, the City may initiate proceedings to revoke to the right to sell alcohol per Section 24.12.1112 and Title 4 of the Santa Cruz Municipal Code.

(8) Hotels/Motels. These uses are allowed as principally permitted uses along the east side of Front Street. No hotel rooms are allowed along the ground level frontages or along the Riverwalk level frontage.

(9) Instructional Services - Schools, Business and Technical. Schools and studios for arts and crafts, photography, music and dance provided that such establishments are not located along Pacific Avenue frontage or east-west street frontage. A Special Use Permit is required (1) when located along Pacific Avenue frontage or (2) if located along east-west street frontage, provided the following conditions are met:

- a. Any such establishment will not occupy more than 50 linear feet of frontage space;
- b. Such establishment is compatible with nearby residential uses;
- c. Such space is in compliance with the storefront and façade design and development standards; and
- d. Such space is capable of being converted into retail use in the future.

(10) Live/Work Quarters. The residential component of a Live/Work space shall not be located on the ground level, unless the residence is located in the interior of the lot; i.e., the non-residential component of the space must have frontage on the public right-of-way or publicly accessible passageway. The non-residential component of the space must have a minimum frontage depth of 30 feet.

(11) Nightclubs, Establishments Providing Live Entertainment. These uses with stage/performance areas greater than 80 square feet or permitting dancing, and establishments serving alcoholic beverages not ancillary to food service will be considered for the ground level, subject to the following operating conditions:

- a. Acoustical studies indicating that such uses can achieve the City's existing noise abatement standards;
- b. The provisions of Part 12 of the Zoning Ordinance (for High Risk or Low Risk Alcohol Outlets) are met;
- c. The establishments shall be conduct business in accordance with the following “good neighbor operating procedures” as described in Section 3.f above.
- d. The storefront adjacent to the street is designed in compliance with the storefront and building façade standards and guidelines and includes active people-oriented activities of visual interest to the pedestrian (e.g., food service/restaurant seating,

retail frontage, queuing areas or art work) and in no case shall the storefront occupy more than 50 linear feet of street frontage;

- e. Such establishments are compatible with adjacent residential uses; and
- f. Such space is capable of being transformed into retail use in the future.

(12) Medical Centers/Clinics and Professional Offices. Professional, editorial, real estate, insurance and other general business offices including space for non-profit organizations; medical and dental offices; and medical, optical and dental clinics will be considered for the ground level subject to the following criteria. These uses:

- a. Are prohibited along Pacific Avenue frontage (75 feet perpendicular to Pacific frontage property line and within 40 feet perpendicular to the east-west street property line), except when limited to interior ground floor space not fronting the street.
- b. Must be compatible with existing and planned ground-level and upper-level permitted uses; and
- c. Must be in compliance with the storefront and building façade guidelines and standards, and capable of being transformed into retail use in the future.

(13) Parking, Surface or Structured. Allow for the use of parking lifts within the required envelope of any parking garage. See subdistrict development standards for other specific parking criteria.

(14) Personal Services. Uses such as barber shops, laundry and clothes cleaning establishments; administrative, executive and financial services; and technology-related services are allowed with an AUP for the ground level in the Pacific Avenue Retail district and by right in the other subdistricts if it can be demonstrated that:

- a. Such establishments are not located along Pacific Avenue frontage or along east-west street frontage (75 feet perpendicular to Pacific frontage property line and within 40 feet perpendicular to the east-west street property line) from Water Street to Laurel Street and are, therefore, limited to the interior ground floor space. This requirement may be met within the business establishment by providing a retail use in the front 40 feet of the space, with the personal service use provided in the area beyond that 40 feet of retail space. Businesses that can provide a retail use in the front but cannot meet the 40-foot requirement may apply for an administrative use permit for alternate space design provided that: 1) the business can demonstrate that there is a physical difference in the space that dictates the need for the exception, or 2) the business would contribute to the overall character and mix of uses in the downtown and would be expected to create a significant local or regional draw to the downtown.
- b. Such establishments are compatible with existing and planned ground-level and upper-level permitted uses; and
- c. Such establishments are in compliance with the storefront and building façade guidelines and standards, and capable of being transformed into retail use in the future without extensive remodeling.

(15) Health and Fitness Studios. These uses will be considered for ground-level use, provided that:

- a. The storefront adjacent to the street is designed in compliance with the storefront and building façade standards and guidelines and active people-oriented uses are located adjacent to the street (e.g., retailing component);
- b. In no case shall the storefront occupy more than 50 linear feet of street frontage;
- c. Such establishments are compatible with adjacent residential uses; and
- d. Such space is capable of being transformed into retail use in the future.

(16) Retail. The store space along the frontage of North Pacific Avenue, River Street and Water Street shall have the minimum perpendicular depth of forty (40) feet; however, such use may vary in depth along these streets provided that each street maintains an average retail depth of twenty five (25) feet.

(17) Thrift Stores or pawn shops. These uses are prohibited along Pacific Avenue frontage (75 feet perpendicular to Pacific frontage property line and within 40 feet perpendicular to the east-west street property line).

(18) Art Galleries and Museums. These uses shall be open to the public.

TABLE 4-2: Central Business Districts Use Allowances — Upper Floors (Includes Riverwalk Level)

P = Principally Permitted A = Administrative Use Permit S = Special Use Permit “—” = Not Permitted					
<i>Use Categories</i>	<i>Pacific Avenue Retail</i>	<i>Front Street Riverfront</i>	<i>Cedar Street Village</i>	<i>North Pacific</i>	<i>Additional Regulations</i>
<i>Residential</i>					
Community Care Residential Facility	—	—	P/A	—	(1)
Dwellings, Multiple and Townhouse	A	A	A	A	(2)
Dwellings, One-Family & Two-Family	—	—	P	—	(2)
Dwellings, Small Ownership Housing	A	A	A	A	(2)
Dwellings, SRO Single Room Occupancy Housing	A	A	A	A	(2)
Family Day Care Homes, Small	—	P	P	P	(1)
Family Day Care Homes, Large	A	A	A	A	(1)
Supportive and Transitional Housing	A	A	A	A	(1)
<i>Commercial</i>					
Banks and Financial Institutions	A	P	A	P	
Business Support Services	A	P	P	P	
<i>Eating and Drinking Establishments</i>					
- Bar, Tavern	A	A	S	A	(3)
- Brewpubs	A	A	A	A	(3)
- Bona Fide Restaurant	P	P	P	P	(3)
- Tasting Rooms	A	A	A	A	(3)
- Breweries, Distilleries and Wineries	A	A	A	A	(6)
General Market	P	P	P	P	
Hotels/Motels	A	P	A	P	(4)
Instructional Services - Schools, Business and Technical	A	A	A	A	(5)
Live/Work Quarters	A	A	A	A	
Nightclubs and Live Entertainment	S	S	S	S	(7)
Offices, Professional	P	P	P	P	(8)
Parking Facilities, Surface and Structured	A	A	A	A	(9)
<i>Personal Services</i>					
- General Personal Services	P	P	P	P	
- Health/Fitness Studio	A	A	A	A	(10)
Retail Sales	P	P	P	P	(11)
Theaters/Commercial Entertainment	P	P	S	P	
Thrift Stores/Pawn Shops	S	S	S	S	

Institutional and Community Facilities					(3)
Community/Religious Assembly	A	A	A	A	
Day Care Centers	A	A	A	A	
Government Buildings	P	P	P	P	
Medical Centers and Clinics	A	A	A	A	(8)
Museums/Galleries/Cultural Institutions	A	A	A	A	(12)
Communication Facilities	P	P	P	P	(13)
Industrial and Other					
Artist Studio	A	A	A	A	
Bakery, microbrewery, handicrafts or similar light manufacturing and assembly use associated with retail sales/services	A	A	A	A	
Other Similar Uses as Determined by the Zoning Administrator to be consistent with the purpose of the subdistrict	P/A/S	P/A/S	P/A/S	P/A/S	

Additional Regulations – Upper Floor Uses.

(1) Community Care Residential Facilities. Facilities with fewer than 7 persons are principally permitted uses in the Cedar Street Village District. Community Care Residential Facilities with 7 or more persons require approval of an AUP. Supportive and Transitional Housing facilities are allowed with only those restrictions that apply to similar residential uses.

(2) Multi-family Housing. Development projects containing up to 60 units in size are principally permitted uses. Residential uses shall incorporate sound attenuation space planning designs and construction materials and methods such that noise from nearby commercial activities do not unduly disturb occupants of new dwelling units. Residential development exceeding 60 units will be considered with a Special Use Permit if it can be demonstrated that such a development includes a mixture of unit types (e.g., variety of unit sizes) that will be attractive to a wide range of potential residents. Single-Room Occupancy projects require approval of an AUP and are subject to 24.12.1000 et seq. Single-Room Occupancy projects exceeding 60 units require approval of City Council. For properties east of Front Street between Soquel Avenue and Laurel Street, housing is a priority use and shall be at least 60% of the total floor area of the project. This requirement does not apply to properties within 75 feet of Laurel Street or Soquel Avenue.

(3) Eating and Drinking Establishments. All uses within this category shall be subject to City and State alcohol regulations. When applicable, all fast food and/or beverage establishments (defined in the Zoning Ordinance) shall be conducted in accordance with the previously described “good neighbor operating procedures” previously described in section 3.f. of the Ground Floor Uses. Eating and drinking establishments are encouraged on the Riverwalk level to publicly activate the Riverwalk and connections to the Riverwalk and east/west publicly accessible spaces in the Pacific Avenue Retail District. Outdoor rooftop dining is allowed when associated with an upper level restaurant/eating and drinking establishment.

(4) Hotels/Motels. These uses are allowed as principally permitted uses along the east side of Front Street. No hotel rooms are allowed along the ground level frontages or along the Riverwalk level frontage.

(5) Instructional Services - Schools, Business and Technical. Schools and studios for arts and crafts, photography, music and dance provided that such establishments are compatible with nearby residential uses.

(6) Breweries, Distilleries and Wineries. These manufacturing uses are allowed in these districts only when they contain at least 25% of floor area devoted to retail and/or tasting of the product manufactured on the premises.

(7) Nightclubs, Establishments Providing Live Entertainment. These uses with stage/performance areas greater than 80 square feet or permitting dancing, and establishments serving alcoholic beverages not ancillary to food service, are subject to the following operating conditions:

- a. Acoustical studies indicating that such uses can achieve the City's existing noise abatement standards;
- b. The provisions Part 12 of the Zoning Ordinance (for High Risk or Low Risk Alcohol Outlets) are met;
- c. All such establishments are conducted in accordance with the previously described "good neighbor operating procedures"; and
- d. Such establishments are compatible with nearby residential uses.

(8) Medical Centers/Clinics and Professional Offices. Professional, editorial, real estate, insurance and other general business offices including space for non-profit organizations; medical and dental offices; and medical, optical and dental clinics will be considered for upper levels subject to the following criteria. These uses must be compatible with existing and planned ground-level and upper-level permitted uses.

(9) Parking, Surface or Structured. Allow for the use of parking lifts within the required envelope of any parking garage. See subdistrict development standards for other specific parking criteria.

(10) Health and Fitness Studios. These uses will be considered for upper level use, provided that such establishments are compatible with adjacent residential uses.

(11) Retail Sales. In the Pacific Avenue Retail District, second level retail sales are allowed subject to the approval an Administrative Use Permit when the second level is connected to the same business on the ground floor, subject to being compatible with and minimizing impacts to nearby residents. Riverwalk retail is allowed subject to the approval of an Administrative Use Permit to publicly activate the Riverwalk. Retail space should be evaluated in the context of adjacent projects to ensure uses are compatible, active and enhance the Riverwalk.

(12) Art Galleries and Museums. These uses shall be open to the public.

(13) Communication Facilities. Uses are subject to the regulations in Part 15 of Chapter 24.12.

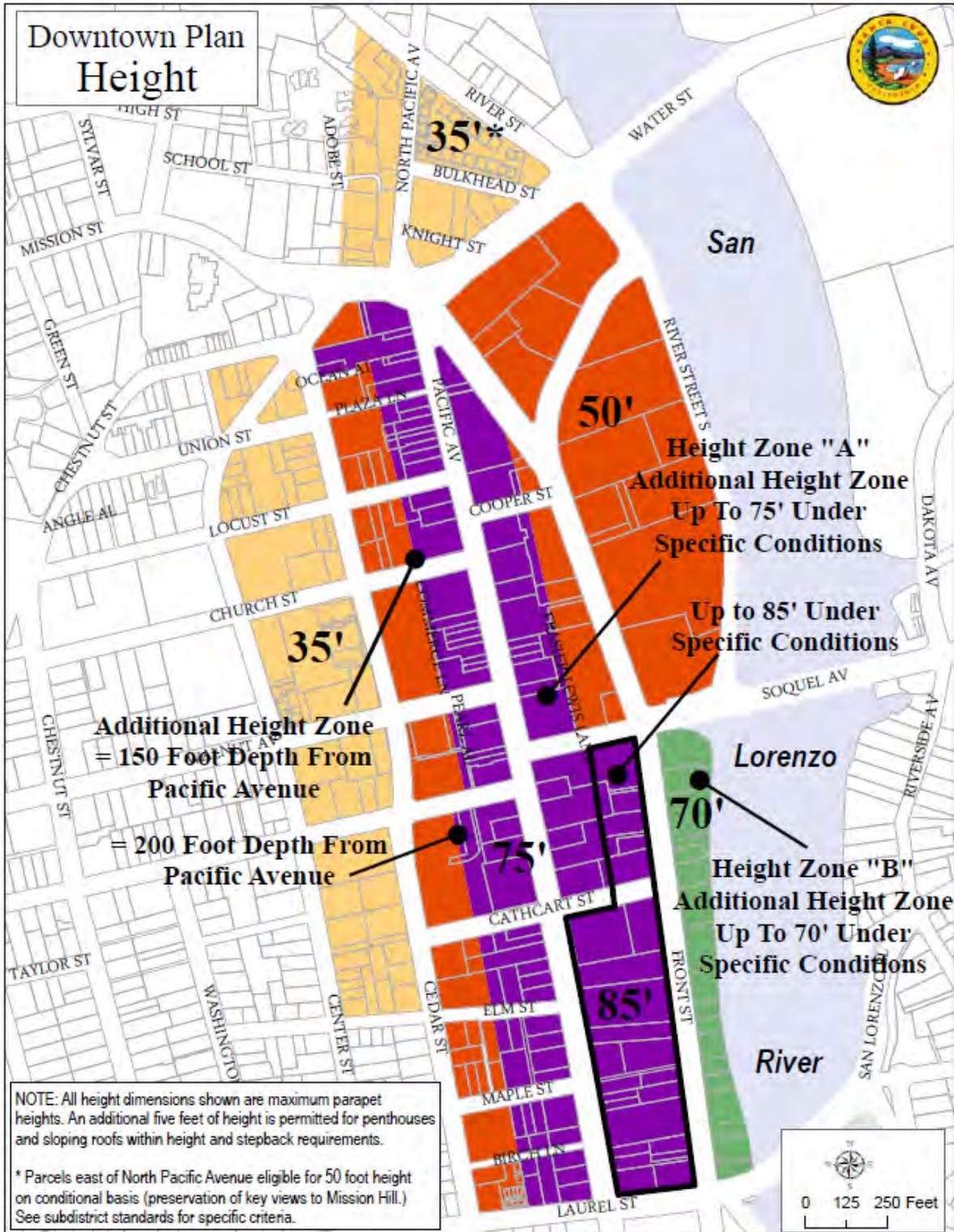


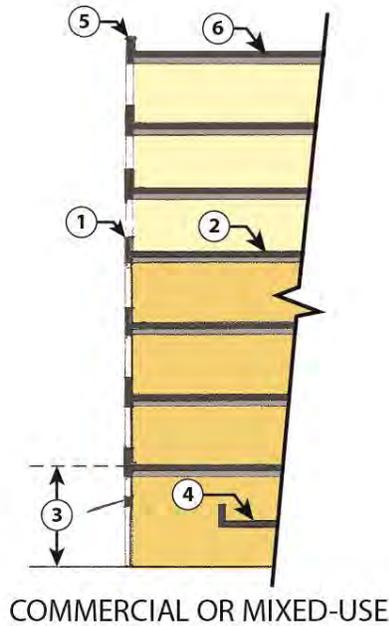
Figure A-1: Downtown Plan Height

B. PACIFIC AVENUE RETAIL DISTRICT DEVELOPMENT STANDARDS

1. Building Height

The following height standards shall apply to all development within the Pacific Avenue Retail District, including frontage along Pacific Avenue and the east-west streets within the subarea. All buildings must conform to the Base Height requirements, except for provisions for additional height within the “Additional Height Zone A”. The intent of the standards is not to create a five-story downtown, but rather to preserve the overall character and scale of the historic core while allowing some intensification and increased height on larger parcels.

- a. Floors. No new building shall be less than two stories in height. The second story shall be at least 50 percent of the first floor area and shall be located toward the street frontage. An exception may be made for building recessed breaks as described for the Additional Height Zones.
- b. Floor-to-Floor Height. The first floor uses must have a minimum floor-to-floor height of 18 feet for properties north of Cathcart Street and 15 feet minimum south of Cathcart Street. Any mezzanine shall be set back at least 30 feet from the building line on the street and shall occupy no more than one-third of the area of the first floor.
- c. Base Height and Floors. No new development shall exceed a Base Height of 55 feet (measured to the top of parapet or eaves), except as provided for in the “Additional Height Zone A”. Within this Base Height, no more than 3 floors of upper-level uses above the ground-level retail use will be permitted within the maximum 55 feet Base Height. (See Figure B-1.)



BASE HEIGHT

- ① Maximum 55' to top of parapet
- ② Maximum 3 floors of commercial or residential above 1 level of commercial
- ③ Minimum 15' ground level floor-to-floor dimension (South of Cathcart)
Minimum 18' ground level floor-to-floor dimension (North of Cathcart)
- ④ Maximum mezzanine area = 33% of ground level floor area

ADDITIONAL HEIGHT ZONE A

- ⑤ Maximum 75' to top of parapet for 60% of site area on sites 15,000 to 50,000 sf;
Maximum 85' to top of parapet for 20% of site area for sites >50,000 sf
- ⑥ Maximum 6 floors of commercial or residential above 1 level of commercial *

**Within the massing and stepback requirements for additional height.*

Figure B-1: Maximum Building Heights and Floors.

- d. Mechanical Penthouses. Uninhabitable mechanical penthouses will be permitted above the Base Height to a maximum height of 65 feet, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the buildings, unless such penthouses are architecturally integrated into the building façade design.
- e. Sloping Roofs. (45 degrees/1:1 pitch or flatter) shall be permitted up to a maximum height of 60 feet, measured to the top of the sloping roof. For projects not eligible for the Additional Height, street wall heights shall not exceed the base height limit of 55 feet.
- f. Visual Impact Study. Any site that is located where the east-west street does not cross Pacific Avenue (sites with frontage on Locust, Church, Walnut, Lincoln, Soquel, Elm and Maple Streets) must prepare a visual impact study to determine how the proposed building would be viewed from the east-west street from a pedestrian eye-level.

2. Build-to Lines and Setbacks

To ensure that Pacific Avenue and the east-west streets are spatially well defined, all development shall be built to the property line of the street. The following exceptions to this condition are noted:

- a. Active Outdoor Uses. Setbacks of up to 12 feet in depth are permitted along the northern property line of Cathcart Street, if such setbacks are intended to provide active outdoor uses (e.g., outdoor dining or public seating) oriented to the street.
- b. Laurel Street Sidewalk. Require any development along Laurel Street between Pacific Avenue and Front Street to dedicate sufficient property to result in a sidewalk depth of at least 12 feet. The precise dedication shall be consistent with the final Laurel Street design and shall be established with a build-to line.
- c. Front Street Sidewalk. Require any development along the west side of Front Street between Cathcart Street and Laurel Street to dedicate sufficient property to result in a sidewalk depth of at least 12 feet.
- d. Recessed Storefronts. Minor ground-level storefront setbacks are permitted within the provisions of the storefront and building façade standards and guidelines. Recessed storefronts up to six feet in depth and twenty-five feet in length may occur where a designated outdoor use, such as an outdoor café, is an integral part of the retail business.

3. Public and Private Parking Facilities

The Pacific Avenue Retail District is within the Downtown Parking District #1 and, as such, shall comply with all parking requirements set forth within that district. On-site parking will not be permitted unless it meets one or more of the following conditions:

- a. Below Grade Parking and Access Driveways. Parking is provided completely below grade, and access driveways to the parking facility do not conflict with the

movement of pedestrians or vehicles within the area. No driveways shall be permitted along Pacific Avenue.

- b. Visual Screening. Surface or above-grade structured parking can be provided if the parking is visually screened and separated from Pacific Avenue and east-west streets by retail development and if such parking can be accessed from an east-west street or rear service lane.
- c. West Side Front Street. Allow parking facilities along the west side of Front Street south of Soquel Avenue where only one driveway curb cut shall be permitted per facility per street frontage; the parking facility shall not extend to street corners; and the parking facility shall be architecturally integrated within the overall building composition.

4. Driveways and Curb Cuts

Limit on-site driveways along Front Street to a maximum of one driveway per property or at a spacing of at least 200 feet; driveways should be no more than 24 feet in width and to the extent practicable should be spaced from an adjacent driveway by at least 200 feet. Wider driveways may be considered based on a demonstrated need to accommodate specific vehicle operations of a proposed development..

5. Special Conditions for Maple Street Fronting Parcels 005-152-08, 005-152-17, 005-152-18, and 005-152-22.

Buildings fronting the 10-foot Maple Street alley between Pacific Avenue and Front Street shall be set back 20 feet to provide for a 50-foot wide public paseo, lane or street. If the above aggregated parcels are redeveloped together, the aggregated parcel size prior to the dedication exceeds the 15,000 square feet threshold to qualify for heights above the 55 foot base height, and shall be developed in conformance with the Additional Height Zone A performance standards. As a result of the required dedication, development on these aggregated parcels shall not be required to provide on-site parking. Developers of the aggregated parcels may pay parking fees to the Downtown Parking District in lieu of meeting the on-site parking requirements. A parking credit shall be applied to the project based on the amount of land dedicated to the City to expand the alley.

6. Special Conditions for Elm Street Pedestrian Connection (Parcel 005-152-31, 005-152-30, 005-152-05, 005-152-32, and 005-152-33).

Development of the above parcels shall include a 30-foot wide publicly accessible pedestrian connection between Pacific Avenue and Front Street. The public passageway shall be located in the vicinity of Elm Street (within approximately 50 feet of Elm Street extension). The passageway shall be integrated into the design of the development.

C. PACIFIC AVENUE RETAIL DISTRICT

BUILDING FAÇADE STANDARDS AND GUIDELINES

The intent of the urban design standards and guidelines for the Pacific Avenue Retail District is to reinforce the unique townscape qualities of the downtown, to introduce diversity and variety that will enhance the visual interest and comfort of the pedestrian, and to extend the landscape qualities of the streetscape into the private realm. The building facades of the downtown have a significant effect on the public identity and character of the downtown and, as such, need to be carefully considered.

1. Building Facades.

Building facades shall respond to the character and composition of existing commercial buildings along Pacific Avenue. More specifically, facades shall be composed with 3 clearly distinct zones: the storefront, up to 18 feet in height or 15 feet south of Cathcart Street; the upper two to three stories of the facade to the established parapet height (e.g., 55 feet); and the roof and cornice treatment, which includes the visible portions of any additional height permitted above the Base Height of 55 feet. This compositional approach is consistent with the existing building facades along Pacific Avenue, as well as the desire to reinforce the pedestrian realm and avoid the creation of monolithic vertical walls along the street edge. A separation of treatment shall be clearly established between the ground-level storefront and the upper building levels, utilizing a strong belt course or architectural line, and through the specific storefront treatment described below. Similarly, a strong cornice line or roof treatment is encouraged to promote variety and a distinctive silhouette along the street.

2. Adjacent Buildings.

The composition of building facades shall also be considered in relation to adjacent buildings of historic or architectural value. While it is not the intent to maintain a consistent treatment along the street edge, the composition of new development shall seek to be harmonious and compatible with elements of adjacent structures, such as window proportions, the design of horizontal belt courses and cornice treatments, building materials and architectural elements.

3. Upper-Level Facades. (i.e., the two to three levels of building wall up to the 55-foot Base Height)

Upper-level facades shall provide a counterpoint to the storefronts below, and provide a visually interesting and varied edge to the public space of the street. In general, the upper-level façade shall be built to the property line and consist of carefully composed “punctured openings” within a richly detailed wall. A variety of treatments shall be introduced to create richness in both the horizontal and vertical planes, including:

- balconies
- bay windows
- flower boxes
- awnings
- cornice and belt courses, etc.

4. Streetwall.

To create a visually interesting “streetwall” with a rhythm and cadence that is reflective of the pattern of development along Pacific Avenue, building facades shall introduce variation at general intervals of 25 to 50 feet with the use of:

- fenestration,
- architectural elements,
- building materials, and/or
- building planes.

Large, uninterrupted expanses of horizontal or vertical wall surface shall be avoided. Regardless of property lines, the appearance shall be of a street with varying architectural treatments at intervals of no more than 50 to 75 feet. The multiple rhythms shall be created through the careful design of building elements and three-dimensional articulation of building elements sufficient to mitigate the presence of long, blank walls along Pacific Avenue, Front Street and Cedar Street the east-west streets, and the alleys. Elements that make up the rhythmic variation may include, but are not limited to:

- recessed windows;
- projecting windows;
- bay windows;
- structural elements;
- surface textures, patterns and colors;
- trim elements;
- balconies;
- belt-cornices;
- cornices;
- awnings and shutters; and
- landscape elements.

5. Cornices and Belt Courses.

Overhead horizontal projections (providing at least 8 feet of clearance above grade) of a purely architectural or decorative character such as cornices, eaves, sills and belt courses shall define the building elements (base, middle and top) and create three-dimensional interest in the façade, provided that they do not project more than:

- a. At roof level, 3 feet into the public right-of-way or a designated setback area.
- b. At every other level, 1 foot into the public right-of-way or designated setback area.

6. Windows.

Building walls shall be punctured by well-proportioned openings that provide three dimensional relief, detail, interest and rhythmic variation on the facade. Variation in rhythm shall be provided both horizontally and vertically. Large expanses of glass on the upper levels shall be considered only where activities of interest to the pedestrian can be highlighted, and in such cases, the design of these openings shall be carefully integrated

within the overall facade composition. Windows shall be recessed a minimum of six inches from the face of the wall to emphasize the thickness of the wall consistent with the historical, traditional and newer buildings on Pacific Avenue; or windows other than bay windows may project from the wall six inches maximum into the public right-of-way. Windows shall be of high quality and shall be operable at the upper level and composed of elements that emulate the size and detail of the windows on Pacific Avenue. Window moldings and/or shutters with projections up to six inches are encouraged to provide detail, shade and articulation to building facades.

7. Upper Level Bay Windows and Balconies.

Bay or projecting windows and balconies are encouraged and may be permitted on upper levels of buildings, provided that a minimum of 10 feet of clearance is provided to grade and that the following provisions are met:

- a. The projection into the public right-of-way or designated setback area is no more than 3 feet; where sidewalks are less than 10 feet in depth, this projection shall be limited to 2 feet; along alleys, no projection shall be closer than 8 feet to the centerline of any alley.
- b. The glass area of the bay window, and the open portions of each balcony, shall not be less than 50 percent of the total area of the vertical surfaces of the projection.
- c. Bay windows and balconies shall "punctuate" rather than dominate the facade; to this end, the maximum length of bay windows shall be 15 feet at the property line or setback line; this width shall be reduced to a maximum width of 9 feet at the full projection of 3 feet, by means of 45 degree angles at the sides of all projecting bay windows. Perpendicular bay windows and balconies (or projections at a different angle) may be permitted, provided that they remain within the outside dimensions described above. Unless balconies are used as a means of distinguishing the storefront area from the upper-level facades, they shall be generally 15 feet in width or less.
- d. The minimum horizontal separation between bay windows, between balconies, and between bay windows and balconies shall be three feet as measured from the face of the building wall along the property line or setback line. A bay window or balcony shall not occur within two feet of the building edge. The intent of this guideline is to ensure that bay windows and balconies do not visually dominate the building wall.

8. Skyline Architectural Variations.

Special attention shall be paid to the articulation of the top portion of buildings such as variation in height, massing, materials, horizontal bands, cornices and parapets. Rooflines shall be broken at intervals no greater than 50 to 60 feet by roof elements or step backs to reinforce the predominant building increment along Pacific Avenue. Interesting and varied roof forms are encouraged. Rooftop equipment shall be completely concealed from view and integrated within the architectural vocabulary of the building. The use of landscaped roof terraces and gardens is also recommended.

9. Building Materials.

To extend the character of the existing downtown, building materials shall evoke honesty and solidity. Stone, brick and stucco, richly detailed to provide visual interest and variation, are encouraged as the predominant building materials. While wood and metal are desirable materials for window casings and trim, large expanses of wood or metal siding are discouraged as the predominant building materials. Such materials are considered appropriate for ornamental elements on the facade. Applied brick tiles that attempt to give the appearance of genuine masonry are also discouraged as the predominant building material. Decorative ceramic tiles are encouraged, however, as accent features. Reflective glass is prohibited.

10. Colors.

Materials shall be relatively light in color. To create a lively visual environment, earth tones, terra-cotta, pastels or whites, accented with dark or bright colors, are recommended. Roofing materials and accenting features such as canopies, cornices, tile accents, etc. shall also offer color variation. The color scheme for the building shall be compatible in color and value with the adjacent structures and shall be compatible with and sympathetic to the overall color palette of the buildings in the block and the downtown.

11. Landscape Provisions.

To promote a unique image and identity of downtown in its coastal setting, buildings shall incorporate provisions for planting, including flower boxes, topiary planting, and climbing vines. Plant materials within the planters, planting beds, flower boxes and flower pots shall provide color and variety throughout the year. The use of artificial plants shall not be permitted.

At least two of the following landscape concepts shall be incorporated into each Pacific Avenue or East-West Streets façade design (or 30 feet of retail frontage). In general, the landscape shall aggregately cover a minimum of 25 percent of the length of the storefront:

- a. Landscape setbacks up to 18 inches in depth.
- b. Landscape planters recessed into Pacific Avenue sidewalk, up to 18 inches into the public right-of-way.
- c. Planter boxes no more than 24 inches in height may be permitted to project into the public right-of-way up to 18 inches. Window boxes also may be permitted to project from bay windows and balconies by 18 inches. Planter and window boxes shall provide internal and concealed drains connected to roof drains to avoid overflow to the street; they shall also be designed with high quality durable materials that are compatible and integral with the building façade.

- d. Hanging flower pots may project into the public right-of-way up to 18 inches and shall have a minimum 8-foot clearance within the public right-of-way unless hanging directly above planter boxes.
- e. Trellis structures supporting climbing vines that may project up to six inches into the public right-of-way or, where more than eight feet above the sidewalk, may project up to 18 inches into the public right-of-way.

12. Rear Service Alleys.

Upper-level facade treatments adjacent to the rear service lanes shall be consistent in quality and design with treatments adjacent to public streets and rights-of-way. The use of planting (e.g., planter and window boxes, trellises, topiary) on building facades adjacent to the service lanes is particularly encouraged to enhance the visual and pedestrian character of the alley.

13. Exterior Lighting.

Buildings shall provide warm (color temperature equal to incandescent), low-level lighting from sundown to 10:00 PM nightly as an integral part of the facade design to add to the nighttime ambient light level in the downtown and to add nighttime visual interest to the buildings. Accent lighting using warm, low-level energy efficient light sources is encouraged as an integral part of the facade design.

14. Property Line Walls.

Where a building shares a property line with an adjacent property or building, mitigate the potential for large blank walls as follows:

- a. Where the adjacent building is lower than the proposed building, the property line wall shall be set back from the property line sufficient to allow windows in the new wall; or
- b. The applicant shall seek an easement from the adjacent property owner to allow windows (subject to the future redevelopment of the adjacent property). Mitigation measures shall be incorporated to allow windows under the Building Code.
- c. This provision may be modified by the Planning Director, subject to the preparation of a visual computer simulation of the building in context of the building viewed from key points at pedestrian eye level down Pacific Avenue and key intersecting streets.

D. PACIFIC AVENUE RETAIL DISTRICT STOREFRONT STANDARDS AND DESIGN GUIDELINES

All storefront improvements with an improvement cost of more than \$10,000 require a Design Permit. All storefronts in a new building or re-developed building shall conform to the following storefront design standards:

1. Primary Entrance. All buildings with frontage along Pacific Avenue shall have a primary entrance on Pacific Avenue.
2. Blank Walls. All buildings with frontage on Pacific Avenue or the East-West streets shall not have blank walls exceeding ten (10) feet in length. Blank walls shall be mitigated with trellises and/or climbing plants or other architectural or landscape elements.
3. Door Entry Frequency. Establishments with frontage along Pacific Avenue shall provide door entries no further distant than 50 feet along the Pacific Avenue or east-west street frontage.
4. Open Entries to Street. Street front entries shall remain unlocked and unblocked and shall remain in use during store hours.
5. Unique Entrances. The ground floor frontage along Pacific Avenue shall be modulated, articulated, textured, colored and given such other architectural treatment to provide a visually differentiated store "front" every 25 feet.
6. Entrance Design. Storefronts shall incorporate at least two of the following design concepts into the storefront designs.
 - a. Bay Windows. Provide bay windows up to 12 feet in length that may project up to 12 inches into the public ROW - where the bay window has glazing on all projecting faces.
 - b. Porticos. Provide porticos around the entry door that may project up to 12 inches into the public ROW.
 - c. Awnings. Provide awnings that may overhang the sidewalk a maximum of 6 feet with a vertical clearance above the sidewalk between 8 feet and 14 feet.
 - d. Marquis. Provide permanent marquis structures or canopies that project from the building at entries (maximum 10 feet in length, minimum height 8 feet above the sidewalk and maximum projection of 6 feet into the ROW).
 - e. Signs. Provide decorative signs that project into the ROW per Central Business District sign ordinance.
 - f. Glazing. The use of reflective or tinted glass in ground level show windows is prohibited.

- g. Store Displays. Store displays shall be configured in such a way as to allow pedestrians to see into the store from the sidewalk. Goods, posters, photos or other visual images shall be placed a sufficient distance from the store windows to enable pedestrians to see clearly into the store.

E. FRONT STREET/RIVERFRONT CORRIDOR DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Height and Stepback Requirements

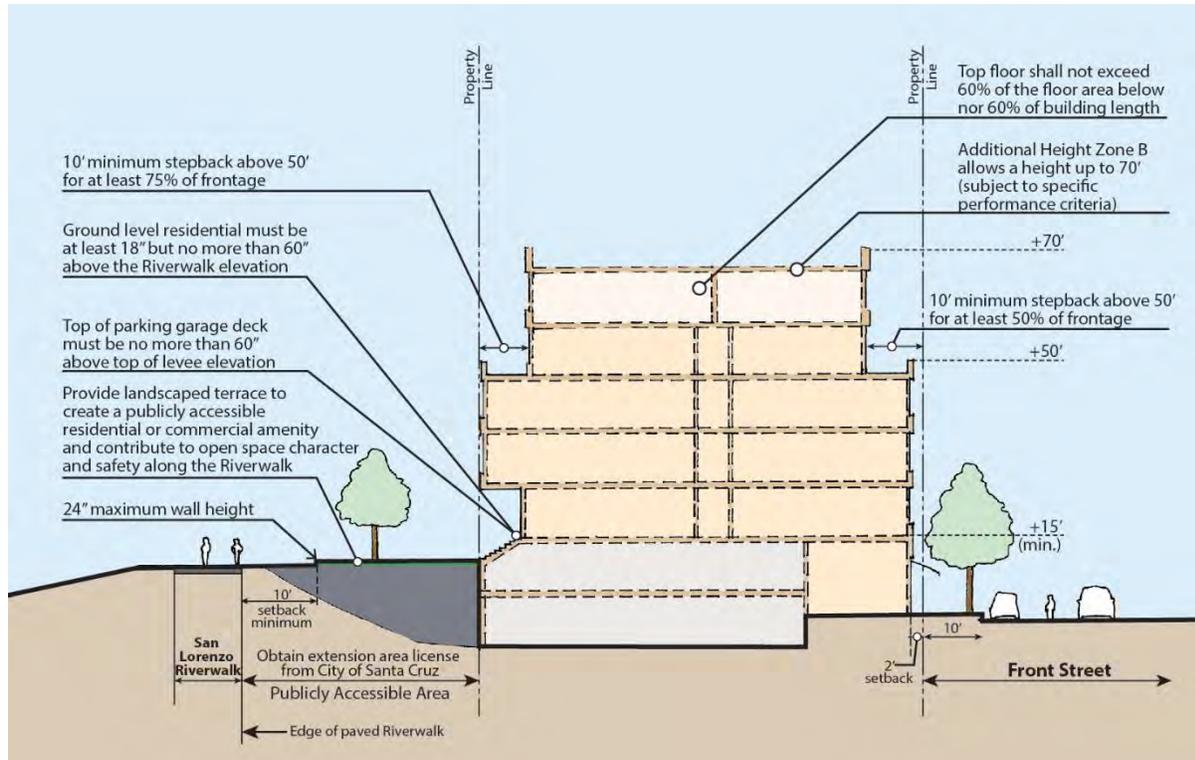


Figure E-1: Proposed base and additional height and stepback requirements along the Front Street/ Riverfront Corridor.

- a. Base Height and Floors. No new development shall exceed a base height of 50 feet (measured to the top of parapet or eaves on the highest floor). Within this base height, no more than 3 floors with a mix of uses above the ground-level retail use will be permitted within the maximum base height of 50 feet.
- b. Mechanical Penthouses. Uninhabitable mechanical penthouses will be permitted above the base height to a maximum height of 60 feet, provided that such penthouses are set back from the face of buildings by a minimum of 15 feet and that sloping roofs meet the provisions of c. below, unless the penthouse is architecturally integrated into the building facade.
- c. Upper Level Stepbacks from Streets and Public Passageways. In order to promote a pedestrian scale, to increase light to the street, and to reduce overall building mass and scale, development above 50 feet in height shall be required to step back from the Front Street facade a minimum of 10 feet. At least 50% of building frontage along Front Street and Soquel Avenue shall step back 10 feet above the height of 50 feet. Buildings adjacent to River Street, east-west streets, and publicly accessible

passageways shall step back at least 10 feet from the street for any height above 35 feet.

- d. Upper Level Stepback from River. Along the west side of the Riverwalk, development shall step back 10 feet from the exterior wall face above the 50 foot height level as measured from Front Street sidewalk elevation. Allow up to 25% of the Riverwalk building frontage to encroach into the required 10-foot stepback area to provide for massing variation. (See Figure E-1).

2. Build-to Lines and Setbacks.

In order to promote well-defined streets, development shall generally be required to be built to the property line adjacent to public streets. The following exceptions to this condition are noted:

- a. Sidewalk Width. In locations where the sidewalk is less than 12 feet wide, development shall be set back from the property line to create a 12-foot sidewalk. Development along Laurel Street and Front Street shall dedicate sufficient property to result in a sidewalk depth of at least 12 feet. The precise dedication shall be consistent with the final Laurel Street design and shall be established with a build-to line.
- b. Gateway Landscaping. New development along Water Street (south side), Laurel Street (north side), and Soquel Avenue shall be set back from the sidewalk by 10 feet to allow for generous gateway landscaping treatment.
- c. Building Length. Between Soquel Avenue and Laurel Street, limit the length of individual buildings along Front Street to a maximum of 300 feet of lineal street frontage, subject to the performance criteria for improved public access to the Riverwalk from Front Street at the key connection points of Cathcart Street, near Elm Street and Maple Street. (See Figure E-2)
- d. Riverwalk Property Line. No setback from the Riverwalk property line is required.
- e. Encroachments. Development along the Riverwalk shall not encroach beyond the property line of the parcel, except in cases where levee-facing “people-oriented” commercial activities incorporate public access points to the Riverwalk. Top floor cantilevered portions of the building are allowed to encroach over the property line a maximum of 5 feet in order to provide architectural interest to the façade. Such cantilevered encroachment over the property line shall not exceed 25 percent of the total building frontage along the riverfront.



Figure E-2: Proposed building massing and public access requirements along Front Street and the riverfront.

3. Storefront Treatment.

While it is recognized that the Front Street/Riverfront Corridor is less pedestrian intensive than the Pacific Avenue District, the ground-level treatment of commercial buildings and parking structures within the area shall generally comply with those for the Pacific Avenue Retail District in terms of: storefront access, transparency and variation; and the use of awnings and canopies. Special attention shall be given to the treatment of intersections, to reinforce their gateway role to Pacific Avenue and to create a high level of interest and activity along the street.

4. Riverwalk Promenade.

The Riverwalk Promenade is the paved bicycle and pedestrian path on top of the river levee. The interface between the public Riverwalk and the adjacent private development is a vitally important element of the Downtown Plan. As such, all development along the Riverwalk will involve some form of public/private partnership and cooperation. Key performance criteria include:

- a. Riverwalk Setback. Residential or outdoor commercial uses adjacent to the Riverwalk shall be no closer than 10 feet from the western edge of the physical walkway, except where “people-oriented” commercial uses incorporate public access points to the Riverwalk.
- b. Levee Fill. All development shall fill the western slope of the levee (which may include both public and private property) as directed by the City of Santa Cruz and Army Corps of Engineers to create a level condition between the Riverwalk and the adjacent building. The filled area may terrace up from the maximum 24-inch wall to the finished floor of the development in a way that allows for the outdoor spaces to be publicly accessible. (See Figure E-1.)

- c. Retaining Wall at Property Line. Design the wall of the ground level of the building to structurally support fill material, and to provide appropriate under-drainage.
- d. Landscaping. Landscaping this private and public space shall incorporate trees and vegetation appropriate to the river environment. Walls along the Riverwalk shall not exceed 24 inches in height and shall be set back from the promenade by at least 10 feet. Other than trees, landscaping shall not exceed 42 inches in height above grade. Trees planted as part of the San Lorenzo Flood Control Improvement Project should be maintained and incorporated into new development where feasible and where not in conflict with the required fill or publicly accessible amenities.
- e. Extension Area License Agreement for Public Space. The City shall consider negotiated Extension Area license agreements on the publicly owned land on the west side of the Riverwalk for open space purposes that promote activity and overlook the Riverwalk and river. The publically accessible open space area shall be visually open and accessible from the Riverwalk, but may be delineated with a low fence or hedge no more than 42 inches in height.
- f. Commercial Criteria. In the case of commercial development, the area subject to the license agreement may be terraced and shall be designed to accommodate outdoor eating or public seating, and shall be within 24 inches of the Riverwalk elevation.
- g. Public/Private Interface. In the case of residential development, the area subject to the license agreement and associated private yard shall be designed as a visually accessible garden space that provides a transition to the public Riverwalk. Residential entrances facing the river shall be elevated at least 18 inches, but no more than 5 feet above the Riverwalk to create privacy and differentiation of public and private spaces.
- h. Entrances Along Riverfront. Entries, either to individual residential units or common entrances, or to commercial establishments, shall be provided along the riverfront promenade at intervals no greater than 75 feet.
- i. Fencing. Fencing shall be decorative, visually open rail material, creating a visual connection between the private and public spaces.
- j. Visually Open Development. Solid vegetation in the form of a visual screen or hedge is prohibited and views to the Riverwalk from private open spaces are required. Line of sight views between the development and the Riverwalk are intended to ensure a safe and interesting environment to joggers, walkers and cyclists.

5. Access to the Riverwalk.

Between Soquel Avenue and Laurel Streets along Front Street, new development shall provide east-west public access between the Riverwalk and the Front Street sidewalk at or near the extension of Cathcart Street, Elm Street and Maple Street. Developers of riverfront properties shall be required to physically and/or financially contribute their fair share through conditions of approval, an Improvement District, Development Agreement, or similar

mechanisms to the improvement of these publicly accessible connections. Development shall be consistent with the following performance standards:

- a. Publicly Open Passageways. Such access shall be open to the public during daylight hours.
- b. Pedestrian Focus. Such publicly accessible connections shall be predominantly pedestrian in nature and located within 50 feet of the Front Street intersections at the terminus of Cathcart Street and the extensions of Maple and Elm Streets. In addition to the pedestrian access, bicycle access shall be provided at the extension of Elm Street, which will serve as the primary bicycle access to the Riverwalk between Soquel Avenue and Laurel Street.
- c. Passageway Widths. The width of these publicly accessible pedestrian connections shall be no less than the following: 60 feet at or near the terminus of Cathcart Street; 50 feet at or near the terminus of Maple Street; and 30 feet at or near the extension of Elm Street.
- d. Vertically Open Passageways. These passageways shall be open to the sky, provide a high quality accessible path of travel between the Front Street sidewalk and the Riverwalk, and provide clear building breaks that avoid the walling off of the river from downtown.
- e. Pedestrian Oriented Uses. The pedestrian passageways shall be lined with active pedestrian-oriented uses that create a safe and interesting environment, including commercial uses, outdoor cafes, resident-serving amenities, building entries and/or lobbies. Such uses, particularly restaurants and outdoor cafes, are strongly encouraged to provide direct frontage and active outdoor areas along both the pedestrian passageway and the Riverwalk.

6. Upper-Level Facade Treatment.

The treatment of upper-level facades shall generally comply with the guidelines for the Pacific Avenue Retail District in terms of building rhythm, corner treatment, windows, roof treatment, building materials, colors and planting, and rear service lanes.

7. Gateway Treatments.

New development that occurs at key gateway intersections to the downtown (e.g., River-Water; Pacific-Front; Cooper-Front; Soquel-Front; Cathcart-Front; Laurel-Front) shall be articulated to accentuate this condition. Treatments could include corner towers or turrets, setbacks, distinctive changes in fenestration and materials, etc.

8. Riverfront Residential.

Residential development occurring along the Front Street/Riverfront Corridor, or future residential development that may occur as part of a mixed-use development on the northeast corner of the Front/Soquel intersection, shall be highly articulated and expressive of the individual units within the complex. The use of sloping roofs, recessed loggias

and balconies, bay windows, dormers and chimneys shall be carefully composed to create an intricate composition that expresses individual unit modules to the maximum extent practicable. A variety of building materials is encouraged, including the building materials recommended for the Pacific Avenue district above (e.g., stucco, brick, and stone). To avoid the creation of a "wall" of development along the riverfront between Soquel and Laurel Streets, development shall be highly articulated with variation in height. The required 10-foot sideyard setbacks shall also serve to break up the mass of development along this important edge.

9. Public and Private Parking Facilities.

The Front Street/Riverfront Corridor is within the Downtown Parking District #1 and development shall comply with all parking requirements set forth within that district.

- a. Surface Lot Landscaping. Existing and/or expanded surface parking lots within the Front Street/Riverfront Corridor shall be well landscaped. In addition to the landscaped area requirements for surface parking provided in the zoning ordinance, surface lots shall provide at least one tree for every four parking spaces, distributed throughout the lot. Surface lots shall be screened from the public sidewalk with low walls, planters, or hedges.
- b. West Side of Front Street. Allow parking facilities along the west side of Front Street south of Soquel Avenue, where only one driveway curb cut shall be permitted per parking facility per street frontage; the parking facility shall not extend to street corners; and the parking facility shall be architecturally integrated within the overall building composition.
- c. Structured Parking Design. Above-grade structured parking should be visually separated at the ground level from all public sidewalks and streets by means of active storefront uses as described above. Such parking should be accessed, to the maximum extent possible, from east-west streets or rear service lanes.
- d. Structured Parking Facades. Parking structure facades shall be designed as compatible visual extensions of other multi-story buildings.
- e. Structured Parking Rear Façade. Special attention shall also be given to the design of parking structure facades adjacent to rear service lanes, to reinforce their attractiveness for pedestrian use. The use of integrated trellis structures and planters along the service lanes is recommended.
- f. Screens and Trellises. Decorative screen and trellis elements of durable, high-quality materials are also encouraged to provide variation and interest on the facade.
- g. Garage Ramp Visibility. Sloping floor elevations shall not occur within 10 feet of the adjacent public street.
- h. Wrap Garage with Commercial. Where parcel depth permits, the face of the parking structure shall be set back from ground floor commercial uses.

- i. Garage Openings. Openings shall be carefully composed within the building wall to appear as well-proportioned windows, rather than continuous strips; variation in the dimension and proportion of openings and in the horizontal and vertical planes of the facade shall be provided to create visual interest and to reduce the massiveness of the parking structure.
- j. Entrances and Stairways. Entryways and stairways shall be located along the street edge; they shall be well lit and visible from the street to promote security and a feeling of comfort.
- k. Top Deck Elevation. The top deck of all structured and encapsulated parking shall be constructed to an elevation no greater than 5 feet above that of the Riverwalk promenade and shall be screened from public view. Parking garages may exceed the maximum building length of 250 feet if they are lower than 5 feet above the adjacent levee elevation.

10. Driveways and Curb Cuts.

Limit on-site driveways along Front Street to a maximum of one driveway per property or at a spacing of at least 200 feet; driveways should be no more than 24 feet in width and to the extent practicable should be spaced from an adjacent driveway by at least 200 feet. Wider driveways may be considered based on a demonstrated need to accommodate specific vehicle operations of a proposed development.

11. Guidance for Bird Safe Structures Along the San Lorenzo River.

The following measures shall be incorporated into all development projects that are located between Front Street and the San Lorenzo River.

- Minimize the overall amount of glass on building exteriors facing the San Lorenzo River.
- Avoid mirrors and large areas of reflective glass.
- Avoid transparent glass skyways, walkways, or entryways, free-standing glass walls, and transparent building corners.
- Utilize glass/window treatments that create a visual signal or barrier to help alert birds to presence of glass. Avoid funneling open space to a building façade.
- Strategically place landscaping to reduce reflection and views of foliage inside or through glass.
- Avoid up-lighting and spotlights. Turn non-emergency lighting off (such as by automatic shutoff), or shield it, at night to minimize light from buildings that is visible to birds, especially during bird migration season (February-May and August-November).

F. CEDAR STREET VILLAGE CORRIDOR DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Height and Stepback Requirements.

- a. Base Height and Floors. The maximum height of all development within the Cedar Street Village Corridor shall be 35 feet (3 floors maximum). East of Cedar Street, development may be allowed to exceed 35 feet on a discretionary basis to a maximum height of 50 feet (4 floors maximum). The granting of additional height above thirty-five (35) feet is discretionary and requires a Design Permit with the recommendation of the Planning Director to the City Council, which must approve the additional height.

2. Storefront Treatment.

The ground-level treatment of buildings and parking structures within the Cedar Street subarea shall generally comply with guidelines for the Pacific Avenue retail subarea, in terms of storefront access, transparency and variation, and the use of landscaping, awnings and canopies. However, it is recognized that Cedar Street has a more informal character than Pacific Avenue and, as such, more variation of ground-level treatment is envisioned and encouraged. The use of porches and terraced gardens as an intermediate space between the ground floor use and the sidewalk is permitted, as long as the finished floor elevation of the ground floor use is no more than four feet above or below the sidewalk level, and accessibility requirements are met.

3. Upper-Level Facade Treatment.

The treatment of upper-level facades shall generally comply with the guidelines for the Pacific Avenue Retail District in terms of building rhythm, corner treatment, windows, roof treatment, building materials, colors and planting. In recognition, however, of the area's village character, several special conditions are noted:

- a. Architectural Elements. The use of architectural elements that promote the village character of the street is encouraged. Such elements could include sloping roofs, chimneys, bay windows, dormers, recessed loggias, balconies, and porches.
- b. Articulation. Facades shall be highly articulated and varied; the introduction of moldings and trims, and changes in horizontal and vertical planes are strongly encouraged to create visual interest and variation in light and shadow. Residential development shall be highly articulated and expressive of the individual units within the complex.
- c. Building Materials. Building materials can be more diverse and residential in character than those recommended for the Pacific Avenue Retail District. The use of wood as a siding material is encouraged.

- d. Flowers and Landscaping. The use of planters, trellises and topiary treatment of buildings is encouraged to further enliven the area and to promote its unique village qualities.

4. Public and Private Parking Facilities.

Parking structure facades shall be designed as compatible visual extensions of other multi-story buildings. Sloping floor elevations shall not occur adjacent to public streets. Where parcel depth permits, the face of the parking structure shall be set back from ground floor commercial uses. Openings shall be carefully composed within the building wall to appear as well-proportioned windows, rather than continuous strips; variation in the dimension and proportion of openings and in the horizontal and vertical planes of the facade shall be provided to create visual interest and to reduce the mass of the parking structure. Decorative screen and trellis elements of durable, high-quality materials are also encouraged to provide variation and interest on the facade. Special attention shall also be given to the design of parking structure facades adjacent to rear service lanes, to reinforce their attractiveness for pedestrian use. The use of integrated trellis structures and planters along the service lanes is recommended. Entries and stairwells within parking structures shall be located adjacent to public streets and designed to be visually open, to promote a feeling of security and comfort.

G. NORTH PACIFIC AREA DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Height and Stepback Requirements
 - a. Base Height and Floors. The maximum height of all development within the North Pacific subarea shall be 35 feet (3 floors maximum). However, within this 35 foot Base Height, east of North Pacific Avenue, development may be allowed on a discretionary basis to a maximum height of 50 feet (4 floors maximum). The granting of additional height above 35 feet is discretionary and requires a Design Permit with the recommendation of the Director of Planning to the City Council, which must approve the additional height.
 - b. Minimum Floor Height. The first floor uses must have a minimum floor-to-floor height of 14 feet.
 - c. Visual Analysis and Criteria for Exceeding Base Height. Proposed development above 35 feet, up to 50 feet, must prepare a detailed visual analysis of the building to determine the visual impact. The visual impact analysis must consider the views from the mid-point of the Water Street Bridge looking toward the Mission Hill, from Mission Hill and other key locations within the City. The additional building height shall not obstruct views of the profile of the top of the grade of Mission Hill as viewed from the crest of the Water Street Bridge;
 - i. Additional height above 45 feet, up to a maximum of 50 feet, must demonstrate that the building creates a superior gateway entrance to Pacific Avenue and the Downtown; and
 - ii. The building height above 35 feet shall be stepped back a minimum of ten (10) feet from the 35 foot Base Height. The additional height shall be highly articulated and the upper level shall gently transition to surrounding development.
 - iii. Uninhabitable mechanical penthouses will be permitted above the Base Height to a maximum height of 5 feet above the permitted building height, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the buildings and are out of the pedestrian's view, unless such penthouses are architecturally integrated into the building façade design.
2. Build-to Lines and Setbacks.

To promote well-defined streets, development shall generally be required to be built to the property line adjacent to public streets. The following exceptions to this condition are noted:

- a. Sidewalk Width. In locations where the sidewalk is less than 12 feet, development shall be set back from the property line to create a 12-foot sidewalk.
- b. Gateway Landscaping. Within this subarea, new development along Water Street (north side) and River Street (west side) shall be set back from the property line by 10 feet to allow for generous gateway landscaping treatment. Buildings along River Street may project into this setback with approval of a landscape plan provided that the average setback along that street remains 10 feet.

- c. Non-Residential Elevation. Along Pacific Avenue and Water Street, ground level uses shall not be located more than one foot above the elevation of the adjacent curb.
- d. Residential Elevation. Along River Street, the first occupied residential floor level shall not be higher than five feet above the adjacent curb. For each one foot above the adjacent curb, an additional one foot of landscape setback shall be required.

3. Gateway Intersections.

The intersections of Water and River Streets, and River Street and North Pacific Avenue, are important gateways to the downtown. New development that occurs at these key gateway intersections shall be designed to accentuate this condition. Treatments shall include corner towers or turrets, setbacks, distinctive changes in fenestration and materials. The design of the ground level of the buildings at these intersections shall be articulated to reinforce the gateway significance utilizing corner setbacks, small plazas, large display windows, distinctive entrance features and canopies.

4. Building Facades.

The treatment of upper-level facades shall generally comply with the guidelines and standards for the Pacific Avenue Retail District in terms of building rhythm, articulation, corner treatment, windows, roof treatment, building materials, colors and planting.

5. Ground-Level Storefronts.

The design of the ground-level of buildings facing North Pacific Avenue, River Street and Water Street shall generally follow the guidelines and standards described for the Pacific Avenue Retail District to the south (e.g., access and transparency, storefront variation and treatment, awnings, canopies).

6. River Street.

The setback area described above for River Street shall include a well-designed landscape concept to enhance the gateway role and appearance of River Street and to create a transition between private development and the street. This landscaped area shall be broken at intervals to provide entrances to adjacent ground-level uses.

7. River Street Residential.

If residential development occurs along the River Street Corridor, it shall be highly articulated and expressive of the individual units within the complex. The use of sloping roofs, recessed loggias and balconies, bay windows, dormers, and chimneys shall be carefully composed to create an intricate and pleasing composition. Clapboard wood siding is encouraged, in addition to the building materials recommended for the Pacific Avenue Retail District above (e.g., stucco, brick, and stone).

8. Town Clock Park/Scope Park.

New development occurring adjacent to Town Clock Park (Knight Street right-of-way) or Scope Park shall have a strong ground-level orientation to these public open spaces. Buildings along Knight Street shall be built to the property line to maintain the spatial quality of Town Clock Park and to reinforce the civic importance of the Water-Pacific-Front intersection. Ground-level uses shall be pedestrian-oriented, and the treatment of storefront facades shall correspond with the guidelines described for the Pacific Avenue Retail District.

9. Public and Private Parking Facilities.

For properties in the North Pacific subarea which are not within the downtown Parking District #1, new development must comply with the City's general standards related to parking.

- a. Surface Parking Lots. Existing and/or expanded surface parking lots within the North Pacific area shall be well landscaped, with at least one tree for every four parking spaces, and screened from the public sidewalk with low walls, planters or hedges.
- b. Structured Parking. Parking structures in the North Pacific Area shall be an integral part of the development that it serves, either in below-grade structures or above-grade structures that are sensitively encapsulated within the overall building form.
- c. Location of Structured Parking. Exposed parking structures shall be limited to the interior of the block or to Bulkhead Street.
- d. Parking Structure Façade. Where parking is exposed as a facade, such facades shall be designed as an integral extension of the overall building facade.
- e. Garage Ramps. Sloping floor elevations shall not occur within 10 feet of the adjacent public street.
- f. Garage Openings. Openings shall be carefully composed within the building wall to appear as well-proportioned windows, rather than continuous strips; variation in the dimension and proportion of openings and in the horizontal and vertical planes of the facade shall be provided to create visual interest and to reduce the mass of the parking structure.
- g. Screens and Trellises. Decorative screen and trellis elements of durable, high-quality materials are also encouraged to provide variation and interest on the facade.
- h. Wrap Garage with Commercial. Above-grade structured parking facing River Street, Water Street or North Pacific Avenue shall be visually separated from all public sidewalks at the ground level by means of active ground-level uses as described above. Such parking shall be accessed, to the maximum extent possible, from east-west streets (e.g., Bulkhead Street). New access driveways along North Pacific Avenue, River and Water Streets shall be avoided.

H. ADDITIONAL HEIGHT ZONES

In 1991 when the original Downtown Recovery Plan was being developed, the community was concerned about the impact of four and five-story buildings on the predominantly one and two-story downtown. Since 1991, there has been significant infill development that has diversified the mix and intensity of downtown uses, with upper level office and residential uses. No longer is Downtown Santa Cruz and Pacific Avenue a one- and two-story downtown; it has evolved into a vibrant three to seven story district.

As such, the Additional Height Zone A is extended to eligible sites south of Cathcart Street and along the west side of Front Street; and Additional Height Zone B is established along the Front Street/Riverfront Corridor south of Soquel Avenue to Laurel Street. (See Downtown Plan Height diagram) The City also wishes to promote uses that foster activity and a sense of stewardship, allowing the area to evolve from a service district to an integral part of the overall downtown. In order to achieve this goal, residential uses are considered highly desirable upper-level uses, with active commercial and people-oriented uses at street level. It is recognized that smaller parcels may need to be assembled and consolidated to create viable areas for redevelopment, but development of assembled properties shall be done in a way that maintains the town scale and character of the downtown, with its diverse mix of small- and medium-sized buildings, its pedestrian orientation and, its block pattern that provides multiple street and walkway connections.

The scale of blocks and parcels is a critical component, contributing to the town scale and pedestrian orientation of downtown Santa Cruz. In the areas south of Cathcart Street and Soquel Avenue, the larger block sizes make it particularly important to create additional pedestrian connections between Pacific Avenue and Front Street, and between Front Street and the Riverwalk. This has been a community vision, dating back to the original Downtown Recovery Plan and reinforced with the 2010 River/Front and Lower Pacific Design Guidelines and Development Standards. However, regulations alone cannot be expected to accomplish such transformational change, which will involve public improvements and strong public/private partnerships. Financing tools for the implementation of enhanced pedestrian linkages to the river, and for improved bicycle and pedestrian amenities along Front Street, shall be considered to leverage increased land values in the area and to provide for equitable contributions from the private sector.

In establishing the development standards for the Additional Height Zones, it is important to make sure that the standards reflect the unique conditions and opportunities of the area. It is necessary to avoid the creation of large, monolithic buildings that are out of scale with the finer-grained development pattern of the downtown.

Buildings of additional height above the Downtown's dominant three to four-stories may depart from the tri-partite facades of the historic downtown, but shall be designed in a manner that creates a positive relationship and an appropriate scale transition to the existing fabric. In addition to the volumetric standards set forth as a basis for additional height in Additional Height Zone A, building stepbacks, belt courses, material, plane and/or fenestration changes are design strategies that should be employed to create compatible architectural and scale relationships with adjacent buildings of lower height. A strong and well detailed storefront and building base is

critical to the continuity of the retail and pedestrian environment of the Downtown; intermediate floors should be composed with window openings, balconies or projections that provide visual interest and a scale relationship with adjacent buildings; and the top most floor(s) should contribute to the overall silhouette and spatial form of the street with reduced floor plates, cornices, projecting canopies or other special architectural elements.

Rather than relying on building stepbacks and terracing to achieve an appropriate scale transition to smaller buildings, the standards call for horizontal and vertical variation to create the appearance of multiple buildings that are more in keeping with the surrounding area. Additional height – even up to 85 feet in the Additional Height Zone A – can be absorbed appropriately if it is confined to a portion of a property, rather than as a massive block, terraced back from the street.

1. Additional Height Zone A.

Properties on Pacific Avenue and within 150 feet of Pacific Avenue between Water and Lincoln Streets, and within 200 feet of Pacific Avenue between Lincoln and Laurel Streets (as measured perpendicular from the property line along Pacific Avenue) , certain properties located on the east side of Cedar Street between Mission Street and Ocean Alley, and the west side of Front Street between Cathcart and Laurel Streets shall be considered within the “Additional Height Zone A”, within which additional height above the 55 foot Base Height limit may be requested for buildings meeting certain criteria (See Figure A-1: Downtown Plan Heights). The intent of the Additional Height Zone A is to preserve the overall character of the existing development pattern, while allowing a discretionary intensification of use and increased height to maintain a compact urban core. For eligible development projects that overlap the Base Height and Additional Height Zone boundary, all portions of the project exceeding the 55 foot base height shall be located within to the Additional Height Zone as shown in Figure A-1.

- a. Eligible Development Projects. The granting of building height above the 55 foot Base Height limit is discretionary and requires a Design Permit with the recommendation of the Director of Planning to the City Council, which must approve the additional height. To achieve approval, the applicant must demonstrate that the proposed project meets the criteria described below. Applicants for development within the Additional Height Zone A may request additional height as indicated below, if one of the following conditions is met:
 - i. The aggregate parcel size is greater than 15,000 square feet, which may include land not located within the Additional Height Zone;
 - ii. The frontage along Pacific Avenue is greater than 150 feet, or at least 100 feet with 150 feet of frontage along an east-west street;
 - iii. The parcel is located between adjacent structures of four or more floors in height;
or
 - iv. The project qualifies for a density bonus as allowed under either State law or City adopted density bonus ordinance.
- b. Additional Height Criteria for Project Approval. The development project shall be found consistent with the following overarching City objectives:
 - i. The additional height will help to achieve the First Principles of the Downtown

- Plan (e.g. form, housing, accessibility and open space).
- ii. The additional height will contribute to an improved social and economic environment by including new housing.
 - iii. The form of the development promotes the appearance of a grouping of buildings rather than large, monolithic building masses.
 - iv. The development receiving additional height will physically and/or financially contribute its fair share (through an Improvement District, Development Agreement or similar mechanisms) to the implementation of internal pedestrian connections between Pacific Avenue and Front Street.
 - v. The additional height will help to meaningfully achieve one or more of the following key community objectives, including but not limited to: Affordable Housing, Day Care Center, exceed Green Building minimums, Incubator Space for Small Business, Public Access Easements, Public Right-of-way Improvements, Publicly Accessible Open Space, Structured or Shared Parking, and Transportation Demand Management concepts.
- c. Zone A Maximum Height and Floors. The buildings shall conform to the adopted building codes in effect at the time of building permit application to achieve the following height limits.
- i. For development projects on aggregated parcels between 15,000 square feet and 50,000 square feet, the maximum height shall be 75 feet and the maximum number of floors shall be 5 floors above the required ground floor commercial use.
 - ii. For development projects on aggregated parcels larger than 50,000 square feet, the maximum height shall be 85 feet and the maximum number of floors shall be 6 floors above the required ground floor commercial use.
 - iii. Uninhabitable mechanical penthouses will be permitted to project 5 feet above the approved additional height of building, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the building, unless architecturally integrated into the building façade design.
 - iv. Architectural features at prominent gateway corners may exceed the maximum heights above when required findings are made.
- d. Performance Criteria. The following criteria are intended to promote the appearance of multiple buildings of varying heights, and to avoid the development of monolithic buildings:
- i. Maximum Height and Footprints. For sites which are eligible for additional height, the footprint of portions of the building at or below 55 feet shall be at least 40% of the total site area; portions of the building footprint above 55 feet to a height of 75 feet may comprise up to 60% of the site area. For assembled sites greater than 50,000 square feet in area, buildings may achieve an 85-foot height for up to 20% of the total site area. (See Figure H-1)
 - ii. Architectural Features. Taller building masses shall be located on portions of the site that are adjacent to street corners or in areas that will result in minimal shading of adjacent streets and sidewalks.
 - iii. Pacific Avenue Building Length. Along Pacific Avenue, portions of buildings that exceed the maximum base height of 55 feet may occupy up to 55% of the length of the property line along the street or 200 feet, whichever is less. Any

additional height above the base height must be set back from the building wall by at least 15 feet. (See Figures H-2 and H-4)

- iv. Front Street Building Length. Along Front Street, portions of buildings that exceed the maximum base height of 55 feet may occupy up to 60% of the length of the property line along the street or 180 feet, whichever is less. Any additional height above the base height must be set back from the building wall by at least 15 feet. (See Figure H-3)

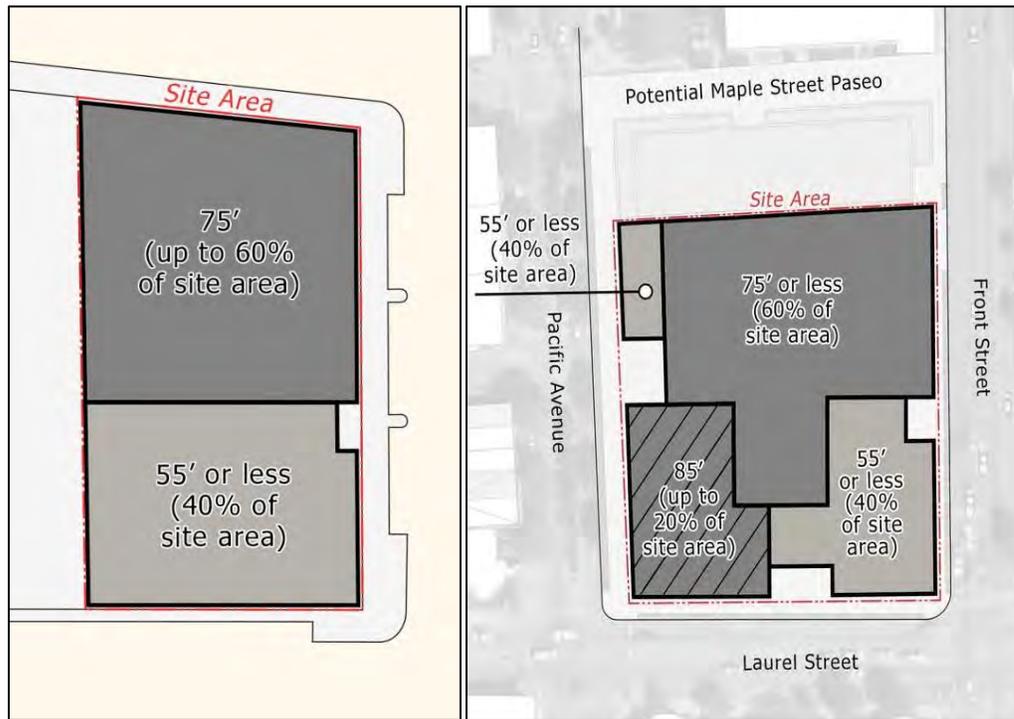


Figure H-1: Distribution percentage of additional height for sites 15,000–50,000 sq. ft.

Distribution percentage of additional height for sites larger than 50,000 sq. ft.

- v. Laurel, Cathcart and Soquel Building Lengths. Along Laurel Street, Cathcart Street and Soquel Avenue, portions of buildings that exceed the maximum base height of 55 feet may occupy up to 60% of the length of the property line or 150 feet, whichever is less. Any additional height above the base height must be set back from the building wall by at least 15 feet. (See Figure H-2)
- vi. Maple Street Stepbacks. Along the Maple Street extension, the building frontage shall step back by 10 feet above a height of 50 feet; In addition to the ‘build to’ line The Maple Street building face shall incorporate at least one recessed break, open to the sky, no less than 25 feet wide and no less than 10 feet in depth from Maple Street . (See Figure H-3)

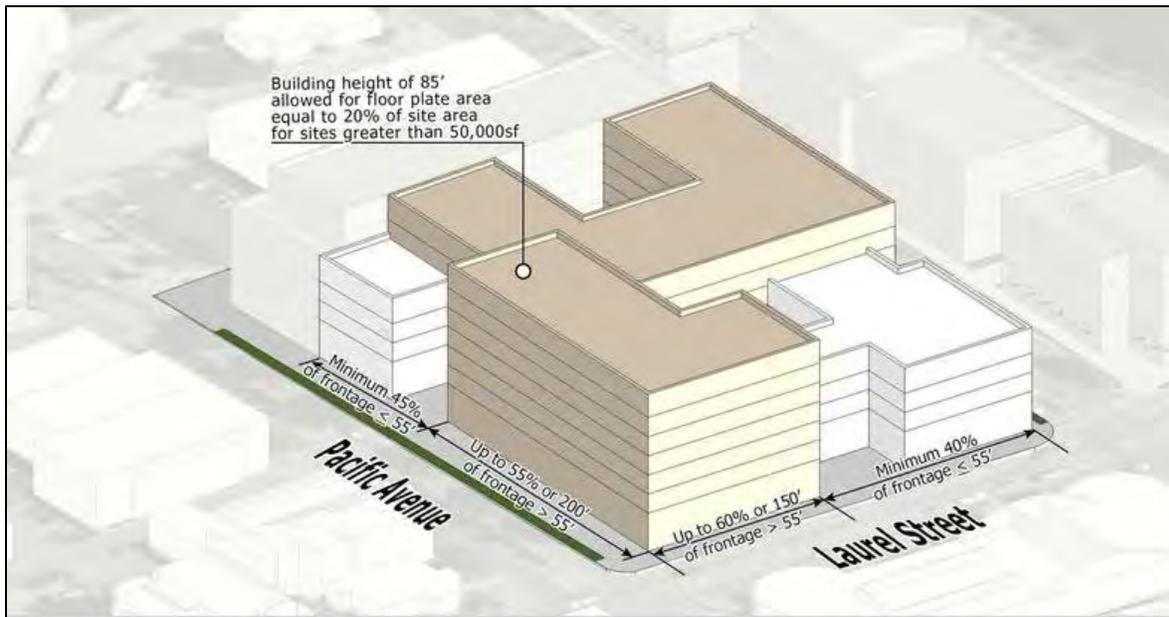


Figure H-2: Example of possible distribution of frontage heights along Pacific Avenue and Laurel Street.

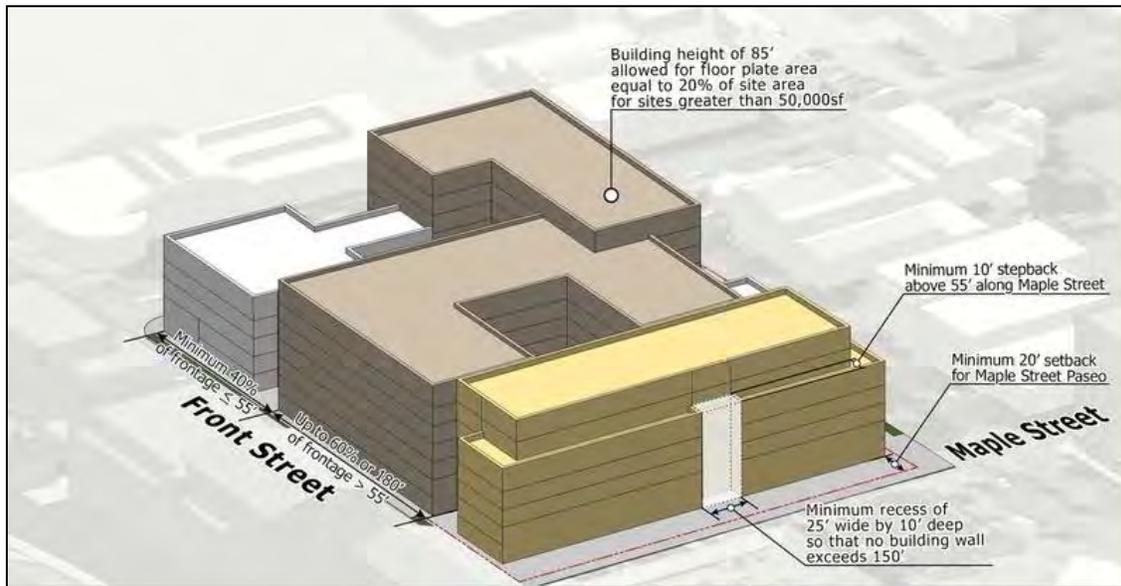


Figure H-3: Example of possible distribution of frontage heights along Front Street and the Maple Street Paseo.

- vii. **Building Recessed Breaks.** Any building mass that exceeds the maximum base height of 55 feet must establish a separation or break that is open to the sky, measuring at least 25 feet along the streetfront property line, with a depth no less than 15 feet as measured perpendicular from the streetfront property line. For

buildings along Maple Street, the recessed break shall be a minimum of 10 feet in depth. (See Figures H-3 and H-4)

- (1) The recessed breaks must provide a clear visual break between building volumes, but at the same time contribute to a positive streetscape environment.
- (2) The recessed spaces shall be open to the sky above the ground level. A light-weight sheltering structure, distinct from the architecture of the principal building (e.g., steel and glass trellis, awning, canopy, or single-level storefront) may be incorporated within the recessed space to provide activity along the street and protection to the ground level activity. This structure may encroach into the public right-of-way by at least 1 foot and no more than 2 feet and shall extend horizontally on either side of the recessed space by two feet to interlock with the principal building. The structure may include sliding doors or gates that can be secured at night, provided that they are accessible and visible during daytime business hours. (See Figure H-5)
- (3) These recessed spaces along the streetfront shall be considered as an opportunity for creative solutions that enhance the streetscape environment. They must be designed and programmed to be purposeful and meaningful places that support positive activity and preclude anti-social behavior. They could include building entries, cafes or retail extension areas. Courtyards and paseos are particularly encouraged as a way of separating building volumes and in creating unique public spaces that connect to Pacific Avenue. The recessed spaces may be gated. (See Figure H-5)

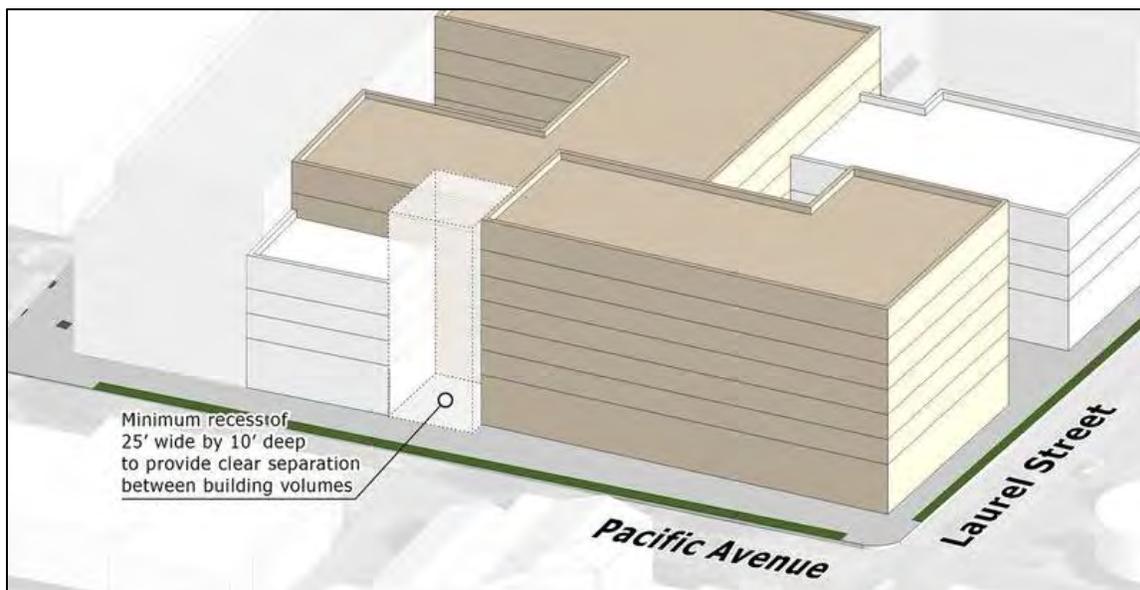


Figure H-4: Example of horizontal massing variation and recessed break in building.

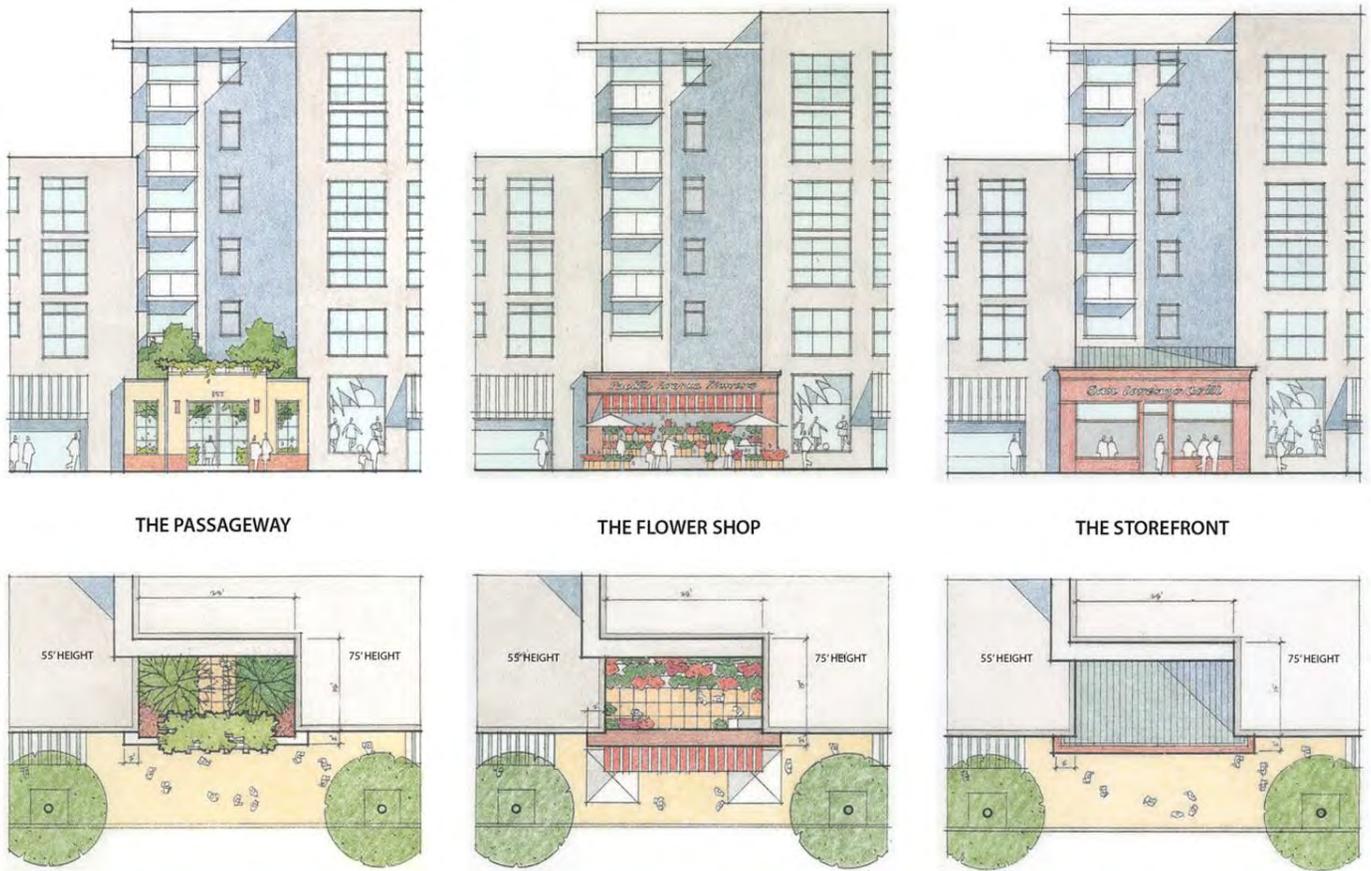


Figure H-5: Recessed spaces along the streetfront must provide a clear visual break between building volumes, while creating a positive streetscape environment. Three examples of potential treatments.

- ix. Two-Story Variation. To establish the appearance of a distinct grouping of buildings, a minimum two-story variation shall be provided between building masses along each of the street fronts. (See Figure H-6)



Figure H-6: Example of vertical massing variation.

- e. Application Requirements. The following materials shall be submitted with all applications for proposed buildings taller than 55 feet.
 - i. Visual Analysis. A detailed visual analysis of the proposed buildings to determine the visual impact of the development shall be submitted. The visual impact analysis must consider the views from key locations within the City and the views from Pacific Avenue and from the east-west streets.
 - ii. Program Statement. A Program Statement shall be submitted indicating details of public amenities to be included in the project. The Program Statement shall specify the participation either through funding and/or land contribution, construction, and/or maintenance of the Maple Street paseo or lane. The Program Statement shall include the private funding mechanism for on-going management and maintenance of the exterior common areas, including public and private spaces along the Maple Street paseo or lane between Pacific Avenue and Front Street. The Program Statement shall specify the method of participation in the City's affordable housing program, if applicable. The Program Statement items will be the basis of conditions of project approval.

2. Additional Height Zone B.

The Additional Height Zone B includes properties located on the east side of Front Street between Soquel Avenue and Laurel Street.

- a. Eligible Development Projects. The granting of building height above the 50-foot Base Height limit is discretionary and requires a Design Permit with the recommendation of the Director of Planning to the City Council, which must approve the additional height. To achieve approval, the applicant must demonstrate that the proposed project meets the criteria described below. Applicants for development within the Additional Height Zone B may request additional height as indicated below if one of the following conditions is met:
 - i. The aggregate parcel size is greater than 15,000 square feet;
 - ii. The frontage along Front Street is greater than 100 feet;
 - iii. The parcel is located between adjacent structures of three or more floors in height;
or
 - iv. The project qualifies for a density bonus as allowed under either State law or City adopted density bonus ordinance.
- b. Additional Height Criteria for Project Approval. The development project shall be found consistent with the following overarching City objectives:
 - i. The additional height will help to achieve the First Principles of the Downtown Plan (e.g. form, scale, housing, accessibility and open space);
 - ii. The additional height will contribute to an improved social and economic environment by including a concentration of new housing;
 - iii. The form of the development promotes the appearance of a grouping of buildings rather than large monolithic building masses;

- iv. The development receiving additional height will physically and/or financially contribute its fair share (through an Improvement District, Development Agreement or similar mechanisms) to the implementation of internal pedestrian connections between Front Street and the Riverwalk;
 - v. The additional height will help to meaningfully achieve one or more of the following key community objectives, including but not limited to: Affordable Housing, Day Care Center, exceed Green Building minimums, Incubator Space for Small Business, Public Access Easements, Public Right-of-way Improvements, Publicly Accessible Open Space, Structured or Shared Parking, and Transportation Demand Management concepts.
 - vi. Clear demonstration of the public benefit relating to two principal objectives: high quality public access between Front Street and the river, and the appropriate treatment of the riverfront edge along the Riverwalk.
- c. Zone B Maximum Height and Floors. The buildings shall conform to the adopted building codes in effect at the time of building permit application to achieve the following height limits.
- i. For development projects on aggregated parcels larger than 15,000 square feet, the maximum height shall be 70 feet and the maximum number of floors shall be 5 floors above the required ground floor commercial use.
 - ii. Uninhabitable mechanical penthouses will be permitted to project 5 feet above the approved additional height of building, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the building, unless architecturally integrated into the building façade.
 - iii. Uninhabitable architectural features at prominent gateway corners may exceed the maximum heights above for a total of no more than 15 percent of the building footprint.
- d. Performance Criteria. In addition to meeting the Front Street/Riverfront Corridor Development Standards and Design Guidelines, the project shall meet the following criteria, which are intended to promote the appearance of multiple buildings of varying heights, and to avoid the development of monolithic buildings:
- i. Building Recessed Breaks. In order to break down the mass of buildings along Front Street and to promote the appearance of multiple buildings, require any portion of the building mass that exceeds the maximum base height of 50 feet to establish a separation or break that is open to the sky, measuring at least 15 feet along the streetfront property line, with a depth no less than 10 feet as measured perpendicular from the streetfront property line. (See Figures H-5 and H-7)

The recessed breaks must provide a clear separation between building volumes, but at the same time contribute to a positive streetscape environment. The recessed space should be open to the sky above the ground level. A light-weight sheltering structure, distinct from the architecture of the principal building (e.g., steel and glass trellis, awning, canopy, or single-level storefront) may be incorporated within the recessed space to provide activity along the street and protection to the ground level activity. This structure may encroach into the setback zone by up to two feet and should extend horizontally on either side of the recessed space by at least 1

foot, but not more than 2 feet to interlock with the principal building. The structure may include sliding doors or gates that can be secured at night, provided that they are accessible and visible during daytime business hours.

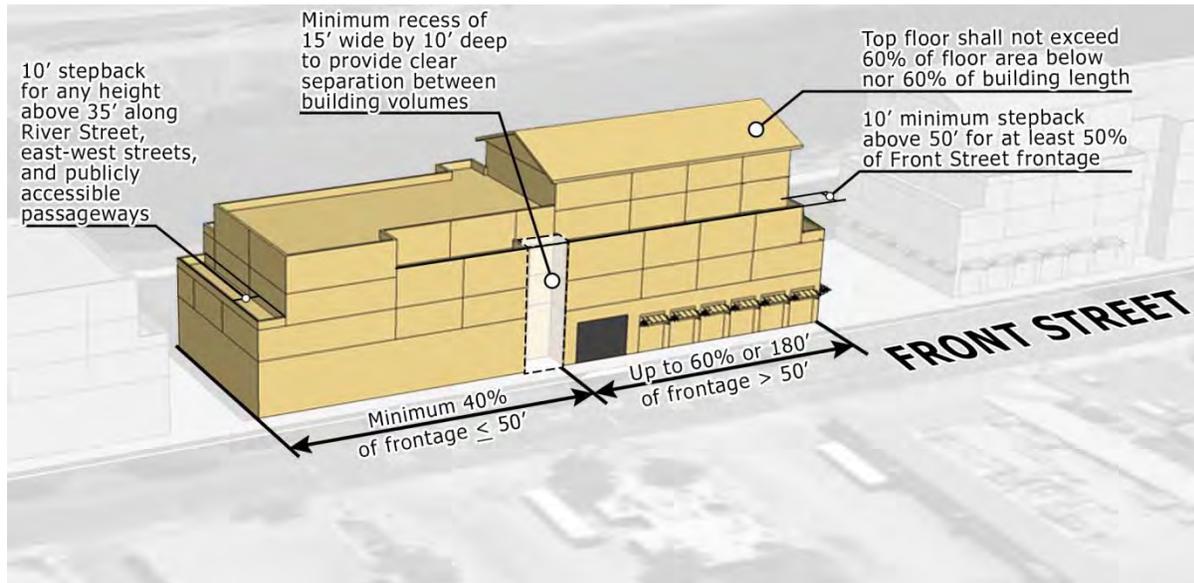


Figure H-7: Example of distribution of frontage heights and horizontal massing variation along Front Street.

- ii. Skyline Architectural Variation. To promote skyline variation, the top floor of any building shall not exceed 60% of the floor area below or 60% of the building length as measured along Front Street or the Riverwalk. Variation to the 60% floor area standard can be considered for projects that incorporate publicly accessible pedestrian connections to the Riverwalk.
 - iii. Integrated Rooftop Design. Rooftops shall be fully designed and creatively integrated into the function of the building. Rooftops provide opportunities including, but not limited to, usable residential or commercial open spaces, community gardens, rainwater retention facilities, green-roof landscaping, solar panel facilities as shade structures, building mechanical equipment and other uses. These spaces shall be thoughtfully and creatively designed as part of the initial project application.
- e. Application Requirements. The following materials shall be submitted with all applications for proposed buildings taller than 50 feet.
- i. Visual Analysis. A detailed visual analysis of the proposed building including three-dimensional perspectives to determine the visual impact of the development shall be submitted. The visual impact analysis must consider the views from key locations within the City, the views from Front Street and from the Soquel and Laurel bridges and the levee opposite the project site from a pedestrian level view.
 - ii. Roof Design Plan. A detailed and fully integrated roof design plan that includes details of open space uses, landscaping, solar facilities, drainage, and mechanical equipment.

- iii. Grading and Landscape Plan. A comprehensive grading and landscape plan for the filled area of the river levee.
- iv. Passageway Plan. For projects adjacent to the proposed publicly accessible passageways between Front Street and the Riverwalk (in the proximity of the extensions of Cathcart Street, Maple Street and Elm Street), a scaled plan shall be provided with adequate details, section drawings and other drawings that describe how the project will achieve high quality public access to the riverfront from Front Street and how the riverfront edge will be designed to reinforce the amenity value and safety of the Riverwalk. Drawings shall describe the relationship of publicly accessible spaces with adjacent proposed development activities, grading, landscape and paving materials and treatments.
- iii. Program Statement. A Program Statement shall be submitted indicating details of public amenities to be included in the project. The Program Statement shall specify the private funding mechanism for on-going management and maintenance of the exterior common areas, including public and private spaces between the Riverwalk and the development and any adjacent paseo or passageway from Front Street to the Riverwalk. The Program Statement shall specify the method of participation in the City's affordable housing program, if applicable.

I. ALL CENTRAL BUSINESS DISTRICTS STOREFRONT STANDARDS AND GUIDELINES

The intention of the storefront guidelines is to promote variety and individuality along the street while complementing the scale and design character of the streetscape, reinforce the pedestrian environment, and allow for the landscape character of the downtown to extend into the private realm. The storefront guidelines encourage both setbacks from, and encroachments into, the public right-of-way, where such measures will serve to enrich the visual diversity and life of the street.

1. Storefront Projections and Setbacks. In addition to landscape elements, storefronts are encouraged to introduce architectural variation at the pedestrian level in order to create a diverse building edge between the public and private realms. More specifically:

- a. Bay Windows. Storefront bay windows may project up to 12 inches into the public right-of-way, if such windows maintain glazing on all projecting faces, and if the windows do not exceed 15 feet in width. A clearance of at least 12 inches between the bottom of the projecting bay and the sidewalk is recommended.
- b. Porticos. Entry porticos may project up to 12 inches into the public right-of-way.
- c. Entry Setbacks. Entry setbacks may be permitted up to 48 inches from the property line.
- d. Marquis and Canopies. Permanent marquis structures or canopies that project from the buildings are encouraged, but shall be confined to entry lobbies leading to upper-level residential or office uses, or to public-oriented passages that provide for pedestrian access through the block. They shall be designed as an attractive and integral part of the overall facade design, shall project no more than 6 feet from the face of the building, take up no more than 10 feet of frontage, and maintain a clearance of at least 8 feet above the sidewalk surface. No column supports shall be permitted within the public right-of-way.
- e. Projecting Signs. Projecting signs are encouraged on storefronts consistent with the sign regulations for the Central Business District in the Zoning Code.
- f. Awnings. Awnings overhanging the sidewalk are also encouraged to further enhance the life and variety of the street. The preferred material for awnings is canvas, but other materials will be considered if they are light in character and can be architecturally integrated with the building facade. Awnings shall be maintained at least 8 feet above the sidewalk surface, and shall be carefully designed to complement the overall facade design. Under standard conditions (e.g., not within retail extension zones), storefront awnings shall not project more than 6 feet into the public right-of-way, and generally shall not be higher than 14 feet above the sidewalk. Awnings above 14 feet in height shall not project more than 3 feet into the public right-of-way.

2. Storefront Variation and Craftsmanship. The visual experience of moving along the street shall be enjoyable and varied. Changes in treatment (e.g., the use of porticos, setbacks, architectural elements, landscape treatments, etc.), within the standards and guidelines are

outlined above and below. Particular attention shall be given to the craftsmanship and detailing within the pedestrian's range of touch and view. The use of special materials (e.g., stone, brass, bronze, terra cotta, ceramic, wood) for storefront ornamentation is strongly encouraged, particularly around windows and entries and at the base of building walls.

3. Retractable Storefronts. Where appropriate, the use of retractable storefronts is encouraged to create a direct relationship between sidewalk activity and the commercial establishment; this treatment is particularly encouraged for restaurants where outdoor seating is proposed, or for retail establishments that include an extension area within the public right-of-way.

4. Storefront Landscape Elements. The introduction of plant materials on the building face and storefront is strongly encouraged to reinforce and extend the landscape identity of Pacific Avenue and the downtown. More specifically:

- a. Storefront Setbacks. Storefront setbacks of up to 18 inches may be permitted for the introduction of low planters of up to 12 inches in height below storefront windows.
- b. Sidewalk Planting. The sidewalk paving along Pacific Avenue may be designed to allow for planting beds at sidewalk level to encroach into the public right-of-way up to 18 inches. Such planting beds shall include durable curbing (up to 3 inches in height) to provide a clear visual separation.
- c. Planter and Window Boxes. Planter and window boxes may be allowed to project into the public right-of-way up to 18 inches, with a maximum height of 24 inches above the sidewalk level. It is recommended that window boxes maintain a clearance of 12 inches above the sidewalk, not including decorative support braces. Window boxes shall be designed as a compatible and integral extension of the storefront window casing; materials shall be durable and of high quality. Planter and window boxes shall also provide for internal drainage connecting to roof drain lines.
- d. Hanging Flower Pots. Hanging flower pots may project into the public right-of-way up to 12 inches and shall have a minimum 8-foot clearance within the public right-of-way unless hanging directly above planter boxes.
- e. Trellises. Trellis structures supporting climbing vines are encouraged against blank building walls, both at the storefront and upper levels. At the storefront level, trellises shall be allowed to project into the public right-of-way up to 6 inches; above 8 feet in height, overhanging arbor or trellis structures shall be allowed to project up to 18 inches into the right-of-way.
- f. Plant Types. Plant materials within planters, planting beds, flower boxes and flower pots shall provide color and variety throughout the year. The use of non-flowering shrubs or plant materials is discouraged, unless they are part of a planned pattern of landscape to that creates interest on the street.

J. ALL CENTRAL BUSINESS DISTRICTS OTHER DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Design Variation. The Downtown Plan contains development standards, which when implemented, are intended to achieve the First Principles of the Plan and public objectives for the downtown. While every effort has been made to thoughtfully produce clear and concise standards for the community, the Plan can never address or respond to all development scenarios and circumstances. Therefore, projects that closely conform to the development standards, but with slight variations may be considered upon demonstration that the resulting project will better achieve stated Plan and community objectives. Such variations shall be minor in nature and must receive a positive recommendation from the Planning Director, with final approval by the City Council.
2. Storefront Setbacks. Minor ground-level storefront setbacks are permitted within the provisions of the storefront and building façade standards and guidelines discussed below. Recessed storefronts up to six feet in depth and twenty-five feet in length may occur where a designated outdoor use, such as an outdoor café, is an integral part of the retail business.
3. Roof Top Mechanical Equipment. The design of roof top mechanical equipment and related structures is an important aesthetic consideration when viewing the downtown skyline. The arrangement of roof top equipment, elevator penthouses, mechanical penthouses and enclosures, safety rails, inside faces of parapets, roofing surfaces, architectural elements, and other mechanical or electrical equipment, including telecommunications equipment, shall be designed, installed and painted to be visually unobtrusive and to create a unified, coherent whole. These roof top features shall be incorporated into the building design at the Planning approval stage of the project. Additional visual simulations may be required to demonstrate that the project provides for architecturally interesting and varied skyline views, with specific attention given to integrating these rooftop features into the overall building design.
4. Permanent Projections into the Public Right-of-Way. It is not the intent of the Plan to create a hard edge between the public and private realms. Rather, building facades and storefronts that are varied and that promote activity and interest are encouraged.
5. Retail Extension Zones. Pacific Avenue and some of the east-west streets (e.g., Church Street, Walnut Avenue, Cathcart Street and pedestrian paseo or lane) will include opportunities for the extension of retail and restaurant activities into the public right-of-way. These extension areas will be managed by the City and its designated agent through revocable licenses [See Extension Area requirements in section 24.10 of the Zoning Ordinance]. The following guidelines shall govern the physical design of these extension areas:
 - a. Types of Uses. Designated extension areas shall be confined to uses that add activity and color to the street. Permitted uses shall be limited to outdoor cafes, food kiosks or carts, or the selling of flowers, produce, and newspapers/magazines, unless otherwise approved by the City Council or its designated agent.
 - b. Outdoor Cafes. The extension area for cafes shall project no more than 12 feet from the property line into the public right-of-way, and in no case shall a cafe extension

area result in a public walk way of less than 12 feet. The elevation of the extension area shall be the same as the public sidewalk, and shall meet ADA accessibility standards. No permanent structures will be allowed within the public right-of-way, with the exception of ADA-complaint barriers. If a separation between the cafe and the promenade is desired, this shall be achieved through low planters that could contain colorful flowers or a low hedge not permanently affixed to the sidewalk; the maximum height of such planters (including the planting) shall be no more than four feet. Planters shall consist of high-quality, durable materials of a weight and mass that will discourage theft, vandalism or easy movement. A canvas awning will be permitted to extend over the full depth of the cafe extension area; no columns or supporting poles will be permitted within the public right-of-way. Awnings shall comply with the design and height guidelines prescribed below. The use of removable umbrellas within sidewalk extension areas is also encouraged, provided that seven feet of clearance is provided from the sidewalk. Removable wind screens that are of a transparent material and that are an integral part of the planter will be permitted to extend the seasonal use of the cafe area. Such screens shall not exceed a height of six feet and shall be separated from the awning to provide for air movement.

- c. Retailing Uses. Retailing uses within extension zones shall be limited to the sale of newspapers and magazines, flowers and produce, unless otherwise approved by City Council or its designated agent. Such extension areas shall not exceed 6 feet in depth, unless it is determined that such depth is necessary to achieve the desired pedestrian objectives for the street, and in no case shall an extension area result in a public promenade that is less than 12 feet in depth on Pacific Avenue and no less than 8 feet in depth on Front Street and Laurel Street. Merchandise shall be displayed against the shop front and be oriented toward the street on tables or stands that do not exceed four feet in height. No separation (e.g., planters or low walls) between the merchandise and the street shall be permitted.
- d. Furniture. All furniture (e.g., tables, chairs, retailing stands) shall be durable, well-maintained, and of a high quality, suitable for outdoor use; such furniture shall be light, not heavy or massive in nature, to ensure that it does not visually dominate the street. All furniture shall be approved by City Council or its designated agent.
- e. Design Materials. The design materials and colors used for chairs, tables, display stands, lighting, and other fixtures (including umbrellas and awnings) shall be generally consistent with both the architectural style and colors used on the building facade and the quality of fixtures along Pacific Avenue.
- f. Lighting. Lighting shall be incorporated into the facade of the building and shall complement the style of the building. Lights on buildings shall not be glaring to pedestrians and shall illuminate only the extension area and the activities within. General illumination shall be at 5 foot-candles, with a maximum of 10 foot-candles. Table lamps or candles are encouraged in cafe areas. Wired electrical fixtures will be allowed outside the face of the building, if contained within the semi-permanent barrier allowed for cafe extension areas and if installed by a licensed electrician. A lighting plan must be approved by the City Council or its designated agent.

10. Intersection Treatment. High activity-generating uses are especially encouraged at the Pacific Avenue intersections. Minor corner setbacks in conjunction with storefront entries are also encouraged at these locations.

11. Corner Treatment. Corner parcels are encouraged to incorporate special features such as rounded or cut corners, articulated corner entrances, display windows, corner roof features, etc.

12. "T" Intersections. New development that occurs at the "T" intersections along Pacific Avenue (Cooper-Church-Locust; Soquel-Walnut-Lincoln; Elm-Maple-Pacific) are encouraged to accentuate the unique spatial characteristics of this condition, through corner treatments as described above, and through special facade treatments at the visual terminus of the east-west streets (e.g., towers, distinctive change in fenestration, roof profile, building material, etc.). Buildings located at the "T" intersections are required to prepare a visual impact analysis to determine the visual impact from the east-west street.

13. Ground Level Treatment. Along rear parking lots and service lanes, rear alleys are envisioned as attractive pedestrian places as well as service spaces. Where the back of development is adjacent to a public alley or surface parking lot, the ground level shall be designed to include architectural interest and detail on the rear façade. At a minimum, a usable and operable rear entrance shall be provided and, to the maximum extent practicable, views into the retailing activity shall be provided from the rear of the building.

14. Off-site Parking and Parking Structures. Required residential and commercial parking may be provided off-site, provided that such parking is located within the parking District No. 1. Publicly available parking structures shall conform to height limits of this Plan, but are not required to adhere to a maximum floor-area-ratio limit.

15. Service Access. Parcels adjacent to rear alleys must maintain service access from the rear and provide attractive rear entrances. Trash storage areas shall be internal to the building or completely enclosed and screened from view, as required by City ordinance. Trash or loading areas shall not, to the maximum extent practicable, be located adjacent to Pacific Avenue, North Pacific Avenue, Front Street or Water Street. Required grease trap interceptors shall be maintained within the property. On a conditional basis, the City will consider their location within public alleys or within the street right-of-way, if there is no feasible alternative within the property.

**A. ALL CENTRAL BUSINESS DISTRICTS
LAND USES**

All new construction shall require approval of a Design Permit, regardless of type of use.

1. Prohibited Uses

The uses described in subsection (a) below, are deemed inconsistent with the goals, policies and objectives of the Downtown Plan and are, therefore, prohibited within the Downtown Plan (Plan) portion of the Central Business District as either a stand-alone use or an accessory or temporary use. Such uses that lawfully existed within the Plan area prior to the adoption of this provision are deemed non-conforming and may continue only at the same location at the same intensity or less for a period of no more than 20 years from the effective date of the Zoning Ordinance amendment (October 10, 2000), after which time the use shall be completely removed or converted to a conforming use. The uses described in subsection (b) below shall be deemed a public nuisance and shall be immediately abated according to the provisions of the Zoning Ordinance or other applicable City Codes or Ordinances.

Uses that are prohibited within any of the Downtown Plan subdistricts.

- a. Uses not permitted include, but are not limited to, the following: medical and recreational cannabis provider dispensaries; rent, sales or service of automobiles, trucks, recreational vehicles, motorcycles or trailers; sale of firearms; general advertising signs; sale of alcoholic beverages for off-site consumption requiring ABC liquor license Numbers 20 or 21 (liquor stores), with the exception of the sale of alcohol for off-site consumption that is clearly incidental to other principally permitted uses, that represents less than fifteen percent of the total shelf space in the business, and that complies with the operational criteria specified in Table 4-1 of Chapter 4, herein, inclusive of the additional regulations referenced in said table; drive-up facility; or drive-through facility.
- b. Nuisance Activities. No use, even though listed as a permitted use or otherwise allowed, shall be permitted which, by reason of its nature or manner of operation, is deemed by the Zoning Administrator to be creating a condition that is hazardous, noxious, or offensive through the emission of odor, fumes, smoke, cinder, dust, gas, vibration, glare, refuse, water-carried waste, or excessive noise. Such use shall be subject to violation abatement procedures, which may result in revocation of the use permit.

2. Accessory Uses

Accessory uses, as defined in Section 24.22.013 of the Zoning Ordinance, shall be limited to the use of no more than one quarter (¼) of the total floor area occupied by the permitted use.

3. Temporary Uses

Temporary uses, as defined in Section 24.22.879 of the Zoning Ordinance, shall be limited to the following activities and standards:

- a. The following activities if they are sponsored by a government entity or an organized group of businesses, property owners or residents of the CBD:
 - i. Neighborhood, District or Citywide-oriented carnival, circus, street fair, exhibition, celebration or festival;
 - ii. Booth for educational, charitable, patriotic or welfare purposes;
 - iii. Open air sale of agricultural products, including seasonal decorations.
 - iv. Open air sporting event;
 - v. Arts or crafts sale or artistic performance event; or
 - vi. Surface parking open to the public.

- b. The following activities if they secure the proper permits, if applicable, from City agencies: Parades, civic events, and advertised citizen gatherings.

TABLE 4-1: Central Business Districts Use Allowances — Ground Floor (Street Level)					
P = Principally Permitted A = Administrative Use Permit S = Special Use Permit “—” = Not Permitted					
<i>Use Categories</i>	<i>Pacific Avenue Retail</i>	<i>Front Street Riverfront</i>	<i>Cedar Street Village</i>	<i>North Pacific</i>	<i>Additional Regulations</i>
<i>Residential</i>					
Community Care Residential Facility	—	—	P/A	—	(1)
Dwellings, Multiple and Townhouse	A	A	A	A	(2)
Dwellings, One-Family & Two-Family	—	—	P	—	(2)
Dwellings, Small Ownership Housing	A	A	A	A	(2)
Dwellings, SRO Single Room Occupancy Housing	A	A	A	A	(2)
Family Day Care Homes, Small	—	P	P	P	(1)
Family Day Care Homes, Large	A	A	A	A	(1)
Supportive and Transitional Housing	A	A	A	A	(1)

TABLE 4-1: Central Business Districts Use Allowances — Ground Floor (Street Level)

P = Principally Permitted

A = Administrative Use Permit

S = Special Use Permit

“—” = Not Permitted

<i>Use Categories</i>	<i>Pacific Avenue Retail</i>	<i>Front Street Riverfront</i>	<i>Cedar Street Village</i>	<i>North Pacific</i>	<i>Additional Regulations</i>
<i>Commercial</i> (3)					
Banks and Financial Institutions	A	P	A	P	(4)
Business Support Services	A	P	P	P	
Eating and Drinking Establishments					
- Bar, Tavern	A	A	S	A	(5)
- Brewpubs	A	A	A	A	(5)
- Bona Fide Restaurant	P	P	P	P	(5)
- Tasting Rooms	A	A	A	A	
- Breweries, Distilleries and Wineries	A	A	A	A	(6)
General Market	P/A	P/A	P/A	P/A	(7)
Hotels / Motels	A	P	A	P	(8)
Instructional Services - Schools, Business and Technical	A	A	A	A	(9)
Live/Work Quarters	A	A	A	A	(10)
Nightclubs and Live Entertainment	S	S	S	S	(11)
Offices, Professional	A	A	A	P	(12)
Parking Facilities, Surface and Structured	A	A	A	A	(13)
Personal Services					
- General Personal Services	A	A	A	P	(14)
- Health/Fitness Studio	A	A	A	A	(15)
Retail Sales	P	P	P	P	(7), (16)
Theaters/Commercial Entertainment	P	P	S	P	
Thrift Stores/Pawn Shops	S	S	S	S	(17)
<i>Institutional and Community Facilities</i> (3)					
Community/Religious Assembly	A	A	A	A	
Day Care Centers	A	A	A	A	
Government Buildings	P	P	P	P	
Medical Centers and Clinics	A	A	A	A	(12)
Museums/Galleries/Cultural Institutions	A	A	A	A	(18)
Social Service Centers	A	A	A	A	
Other Similar Uses as Determined by the Zoning Administrator to be consistent with the purpose of the subdistrict	P/A/S	P/A/S	P/A/S	P/A/S	

Additional Regulations – Ground Floor Uses.

(1) Community Care Residential Facilities. Facilities with fewer than 7 persons are principally permitted uses in the Cedar Street Village District. Facilities with 7 or more persons require approval of an Administrative Use Permit (AUP). Supportive and Transitional Housing facilities are allowed with only those restrictions that apply to similar residential uses.

(2) Multi-Family Housing. (Including Single-Room Occupancy projects subject to standards set forth in 24.12.) In all districts where multi-family housing requires an AUP, common residential lobbies for upper-level residences are allowed at ground level with active ground level common spaces publicly visible. Within the Cedar Street Village, ground-level residential uses are permitted on the side streets west of Cedar Street and along Center Street. Direct access between individual townhouse units and the street are strongly encouraged through the use of porches and front "stoops". In the Front Street/Riverfront Corridor and North Pacific Area, the first floor of units shall be elevated above the sidewalk level 5 feet. For Front Street/Riverfront Corridor, allow for ground level residential uses provided that such uses are internal to a block and do not face Front Street, Laurel Street, Cathcart Street, Soquel Avenue, River Street, North Pacific, or any public pedestrian paseo or lane. Individual housing unit entrances with direct access to Front Street are prohibited within 60 feet of Front Street from Soquel Avenue and Laurel Streets and along the frontages of public passageways between Front Street and the Riverwalk.

(3) Commercial and Non-Residential Uses. These uses adjacent to public passageways in the Front Street/Riverfront Corridor shall be accessible from Front Street and the Riverwalk.

Large Non-Residential Ground-Level Uses. These uses exceeding sixteen thousand (16,000) gross square feet per single-tenant/establishment require approval of a Special Use Permit (SUP) by the City Council after review and recommendation by the Planning Commission. In addition to the findings for SUP issuance required under Section 24.08.050, a SUP required by this subsection shall not be issued unless the following additional criteria, findings and conditions related to the public benefits provided by the proposed project are made by the City Council.

- a. The use adds a desired, “targeted” business to the Downtown, which would serve to diversify the Downtown Plan area ground-level business base;
- b. The use provides a public benefit and contributes to an appropriate balance of local or non-local businesses. For the purposes of this finding, it shall be presumed that local businesses serve to sustain the authenticity and unique retail character of the downtown business mix. However, non-local businesses may add to retail draw and contribute to overall downtown vitality in certain circumstances;
- c. The use contributes to an appropriate balance of small, medium and large-sized businesses in the downtown area to diversify the ground-level business mix; to insure the maintenance of the “Santa Cruz” identity, unique character and authenticity; to seek to reduce economic “leakage” of sales out of the City and County; and to induce local investment and employment to the downtown area;

- d. The design of the façade of the proposed use meets the design standards and guidelines of the Downtown Plan and is not restricted by corporate standardized or trademarked exterior design, signage, materials, color or other visual treatments;
- e. The proposed use would be a good neighbor and contribute to the community life of the downtown by participating in such community activities as: (1) Membership in downtown merchant, resident, neighborhood improvement organizations and/or assessment districts; (2) to the greatest extent feasible, hiring local residents; and (3) hosting or participating in downtown festivals, fairs, benefit events and similar neighborhood activities; and
- f. If applicable, all food and/or beverage service activities shall be conducted in accordance with the following “good neighbor operating procedures” for such uses.
 - i. Sufficient trash and recycling receptacles shall be provided and shall be regularly maintained;
 - ii. All debris boxes shall be screened and kept on the premises in a designated or approved location;
 - iii. The operator shall be responsible for cleaning the sidewalk within fifty (50) feet horizontal distance from the premises during the hours of operation to maintain the sidewalk free of paper, spillage or other litter; and
 - iv. Noise, glare and odors shall be contained within the premises so as not to be a nuisance to neighbors. Under no circumstance shall the ventilation outlets or motors cause emission of objectionable odors or noise directed toward neighbors.

(4) Banks and Financial Institutions. These uses may be allowed when there is no other bank within the contiguous block.

(5) Eating and Drinking Establishments. All uses within this category shall be subject to City and State alcohol regulations. When applicable, all fast food and/or beverage establishments (defined in the Zoning Ordinance) shall be conducted in accordance with the “good neighbor” operating procedures listed in Section 3.f.

(6) Breweries, Distilleries and Wineries. These manufacturing uses are allowed in these districts only when they contain at least 25% of floor area devoted to retail and/or tasting of the product manufactured on the premises. Street-oriented active store frontage is required.

(7) Sale of Alcohol for Offsite Consumption. Retail establishments with the Department of Alcoholic Beverage Control license numbers 20 and 21 including general markets may sell alcohol for offsite consumption with approval of an administrative use permit if the sale of alcohol is clearly incidental to other principally permitted uses and represents less than fifteen percent of the total shelf space in the business; the business conforms with Section 24.12.1106(10) of the Santa Cruz Municipal Code; the hours of alcohol sales are limited to 7:00 a.m. to 12:00 a.m.; security mitigations approved by the Police Department to help prevent theft and sale of alcohol to minors, including but not limited to the potential for requiring alcohol to be located where it can be monitored by store personnel or security cameras, are provided; and single-serving alcohol containers other than beer are not provided for sale. This exception to the prohibition on single-serving alcohol containers does not include malt liquor, which remains prohibited.

Existing businesses that were approved to sell alcohol for offsite consumption prior to the enactment of the operational criteria are not required to obtain new administrative use permits but are required to comply with the operational criteria by October 10, 2020.

If the sale of alcohol for offsite consumption use is determined by the Planning or Police Departments to be a nuisance or to otherwise frustrate the intent of the Downtown Plan, the City may initiate proceedings to revoke to the right to sell alcohol per Section 24.12.1112 and Title 4 of the Santa Cruz Municipal Code.

(8) Hotels/Motels. These uses are allowed as principally permitted uses along the east side of Front Street. No hotel rooms are allowed along the ground level frontages or along the Riverwalk level frontage.

(9) Instructional Services - Schools, Business and Technical. Schools and studios for arts and crafts, photography, music and dance provided that such establishments are not located along Pacific Avenue frontage or east-west street frontage. A Special Use Permit is required (1) when located along Pacific Avenue frontage or (2) if located along east-west street frontage, provided the following conditions are met:

- a. Any such establishment will not occupy more than 50 linear feet of frontage space;
- b. Such establishment is compatible with nearby residential uses;
- c. Such space is in compliance with the storefront and façade design and development standards; and
- d. Such space is capable of being converted into retail use in the future.

(10) Live/Work Quarters. The residential component of a Live/Work space shall not be located on the ground level, unless the residence is located in the interior of the lot; i.e., the non-residential component of the space must have frontage on the public right-of-way or publicly accessible passageway. The non-residential component of the space must have a minimum frontage depth of 30 feet.

(11) Nightclubs, Establishments Providing Live Entertainment. These uses with stage/performance areas greater than 80 square feet or permitting dancing, and establishments serving alcoholic beverages not ancillary to food service will be considered for the ground level, subject to the following operating conditions:

- a. Acoustical studies indicating that such uses can achieve the City's existing noise abatement standards;
- b. The provisions of Part 12 of the Zoning Ordinance (for High Risk or Low Risk Alcohol Outlets) are met;
- c. The establishments shall be conduct business in accordance with the following “good neighbor operating procedures” as described in Section 3.f above.
- d. The storefront adjacent to the street is designed in compliance with the storefront and building façade standards and guidelines and includes active people-oriented activities of visual interest to the pedestrian (e.g., food service/restaurant seating,

retail frontage, queuing areas or art work) and in no case shall the storefront occupy more than 50 linear feet of street frontage;

- e. Such establishments are compatible with adjacent residential uses; and
- f. Such space is capable of being transformed into retail use in the future.

(12) Medical Centers/Clinics and Professional Offices. Professional, editorial, real estate, insurance and other general business offices including space for non-profit organizations; medical and dental offices; and medical, optical and dental clinics will be considered for the ground level subject to the following criteria. These uses:

- a. Are prohibited along Pacific Avenue frontage (75 feet perpendicular to Pacific frontage property line and within 40 feet perpendicular to the east-west street property line), except when limited to interior ground floor space not fronting the street.
- b. Must be compatible with existing and planned ground-level and upper-level permitted uses; and
- c. Must be in compliance with the storefront and building façade guidelines and standards, and capable of being transformed into retail use in the future.

(13) Parking, Surface or Structured. Allow for the use of parking lifts within the required envelope of any parking garage. See subdistrict development standards for other specific parking criteria.

(14) Personal Services. Uses such as barber shops, laundry and clothes cleaning establishments; administrative, executive and financial services; and technology-related services are allowed with an AUP for the ground level in the Pacific Avenue Retail district and by right in the other subdistricts if it can be demonstrated that:

- a. Such establishments are not located along Pacific Avenue frontage or along east-west street frontage (75 feet perpendicular to Pacific frontage property line and within 40 feet perpendicular to the east-west street property line) from Water Street to Laurel Street and are, therefore, limited to the interior ground floor space. This requirement may be met within the business establishment by providing a retail use in the front 40 feet of the space, with the personal service use provided in the area beyond that 40 feet of retail space. Businesses that can provide a retail use in the front but cannot meet the 40-foot requirement may apply for an administrative use permit for alternate space design provided that: 1) the business can demonstrate that there is a physical difference in the space that dictates the need for the exception, or 2) the business would contribute to the overall character and mix of uses in the downtown and would be expected to create a significant local or regional draw to the downtown.
- b. Such establishments are compatible with existing and planned ground-level and upper-level permitted uses; and
- c. Such establishments are in compliance with the storefront and building façade guidelines and standards, and capable of being transformed into retail use in the future without extensive remodeling.

(15) Health and Fitness Studios. These uses will be considered for ground-level use, provided that:

- a. The storefront adjacent to the street is designed in compliance with the storefront and building façade standards and guidelines and active people-oriented uses are located adjacent to the street (e.g., retailing component);
- b. In no case shall the storefront occupy more than 50 linear feet of street frontage;
- c. Such establishments are compatible with adjacent residential uses; and
- d. Such space is capable of being transformed into retail use in the future.

(16) Retail. The store space along the frontage of North Pacific Avenue, River Street and Water Street shall have the minimum perpendicular depth of forty (40) feet; however, such use may vary in depth along these streets provided that each street maintains an average retail depth of twenty five (25) feet.

(17) Thrift Stores or pawn shops. These uses are prohibited along Pacific Avenue frontage (75 feet perpendicular to Pacific frontage property line and within 40 feet perpendicular to the east-west street property line).

(18) Art Galleries and Museums. These uses shall be open to the public.

TABLE 4-2: Central Business Districts Use Allowances — Upper Floors (Includes Riverwalk Level)

P = Principally Permitted A = Administrative Use Permit S = Special Use Permit “—” = Not Permitted					
<i>Use Categories</i>	<i>Pacific Avenue Retail</i>	<i>Front Street Riverfront</i>	<i>Cedar Street Village</i>	<i>North Pacific</i>	<i>Additional Regulations</i>
<i>Residential</i>					
Community Care Residential Facility	—	—	P/A	—	(1)
Dwellings, Multiple and Townhouse	A	A	A	A	(2)
Dwellings, One-Family & Two-Family	—	—	P	—	(2)
Dwellings, Small Ownership Housing	A	A	A	A	(2)
Dwellings, SRO Single Room Occupancy Housing	A	A	A	A	(2)
Family Day Care Homes, Small	—	P	P	P	(1)
Family Day Care Homes, Large	A	A	A	A	(1)
Supportive and Transitional Housing	A	A	A	A	(1)
<i>Commercial</i>					
Banks and Financial Institutions	A	P	A	P	
Business Support Services	A	P	P	P	
<i>Eating and Drinking Establishments</i>					
- Bar, Tavern	A	A	S	A	(3)
- Brewpubs	A	A	A	A	(3)
- Bona Fide Restaurant	P	P	P	P	(3)
- Tasting Rooms	A	A	A	A	(3)
- Breweries, Distilleries and Wineries	A	A	A	A	(6)
General Market	P	P	P	P	
Hotels/Motels	A	P	A	P	(4)
Instructional Services - Schools, Business and Technical	A	A	A	A	(5)
Live/Work Quarters	A	A	A	A	
Nightclubs and Live Entertainment	S	S	S	S	(7)
Offices, Professional	P	P	P	P	(8)
Parking Facilities, Surface and Structured	A	A	A	A	(9)
<i>Personal Services</i>					
- General Personal Services	P	P	P	P	
- Health/Fitness Studio	A	A	A	A	(10)
Retail Sales	P	P	P	P	(11)
Theaters/Commercial Entertainment	P	P	S	P	
Thrift Stores/Pawn Shops	S	S	S	S	

Institutional and Community Facilities					(3)
Community/Religious Assembly	A	A	A	A	
Day Care Centers	A	A	A	A	
Government Buildings	P	P	P	P	
Medical Centers and Clinics	A	A	A	A	(8)
Museums/Galleries/Cultural Institutions	A	A	A	A	(12)
Communication Facilities	P	P	P	P	(13)
Industrial and Other					
Artist Studio	A	A	A	A	
Bakery, microbrewery, handicrafts or similar light manufacturing and assembly use associated with retail sales/services	A	A	A	A	
Other Similar Uses as Determined by the Zoning Administrator to be consistent with the purpose of the subdistrict	P/A/S	P/A/S	P/A/S	P/A/S	

Additional Regulations – Upper Floor Uses.

(1) Community Care Residential Facilities. Facilities with fewer than 7 persons are principally permitted uses in the Cedar Street Village District. Community Care Residential Facilities with 7 or more persons require approval of an AUP. Supportive and Transitional Housing facilities are allowed with only those restrictions that apply to similar residential uses.

(2) Multi-family Housing. Development projects containing up to 60 units in size are principally permitted uses. Residential uses shall incorporate sound attenuation space planning designs and construction materials and methods such that noise from nearby commercial activities do not unduly disturb occupants of new dwelling units. Residential development exceeding 60 units will be considered with a Special Use Permit if it can be demonstrated that such a development includes a mixture of unit types (e.g., variety of unit sizes) that will be attractive to a wide range of potential residents. Single-Room Occupancy projects require approval of an AUP and are subject to 24.12.1000 et seq. Single-Room Occupancy projects exceeding 60 units require approval of City Council. For properties east of Front Street between Soquel Avenue and Laurel Street, housing is a priority use and shall be at least 60% of the total floor area of the project. This requirement does not apply to properties within 75 feet of Laurel Street or Soquel Avenue.

(3) Eating and Drinking Establishments. All uses within this category shall be subject to City and State alcohol regulations. When applicable, all fast food and/or beverage establishments (defined in the Zoning Ordinance) shall be conducted in accordance with the previously described “good neighbor operating procedures” previously described in section 3.f. of the Ground Floor Uses. Eating and drinking establishments are encouraged on the Riverwalk level to publicly activate the Riverwalk and connections to the Riverwalk and east/west publicly accessible spaces in the Pacific Avenue Retail District. Outdoor rooftop dining is allowed when associated with an upper level restaurant/eating and drinking establishment.

(4) Hotels/Motels. These uses are allowed as principally permitted uses along the east side of Front Street. No hotel rooms are allowed along the ground level frontages or along the Riverwalk level frontage.

(5) Instructional Services - Schools, Business and Technical. Schools and studios for arts and crafts, photography, music and dance provided that such establishments are compatible with nearby residential uses.

(6) Breweries, Distilleries and Wineries. These manufacturing uses are allowed in these districts only when they contain at least 25% of floor area devoted to retail and/or tasting of the product manufactured on the premises.

(7) Nightclubs, Establishments Providing Live Entertainment. These uses with stage/performance areas greater than 80 square feet or permitting dancing, and establishments serving alcoholic beverages not ancillary to food service, are subject to the following operating conditions:

- a. Acoustical studies indicating that such uses can achieve the City's existing noise abatement standards;
- b. The provisions Part 12 of the Zoning Ordinance (for High Risk or Low Risk Alcohol Outlets) are met;
- c. All such establishments are conducted in accordance with the previously described "good neighbor operating procedures"; and
- d. Such establishments are compatible with nearby residential uses.

(8) Medical Centers/Clinics and Professional Offices. Professional, editorial, real estate, insurance and other general business offices including space for non-profit organizations; medical and dental offices; and medical, optical and dental clinics will be considered for upper levels subject to the following criteria. These uses must be compatible with existing and planned ground-level and upper-level permitted uses.

(9) Parking, Surface or Structured. Allow for the use of parking lifts within the required envelope of any parking garage. See subdistrict development standards for other specific parking criteria.

(10) Health and Fitness Studios. These uses will be considered for upper level use, provided that such establishments are compatible with adjacent residential uses.

(11) Retail Sales. In the Pacific Avenue Retail District, second level retail sales are allowed subject to the approval an Administrative Use Permit when the second level is connected to the same business on the ground floor, subject to being compatible with and minimizing impacts to nearby residents. Riverwalk retail is allowed subject to the approval of an Administrative Use Permit to publicly activate the Riverwalk. Retail space should be evaluated in the context of adjacent projects to ensure uses are compatible, active and enhance the Riverwalk.

(12) Art Galleries and Museums. These uses shall be open to the public.

(13) Communication Facilities. Uses are subject to the regulations in Part 15 of Chapter 24.12.

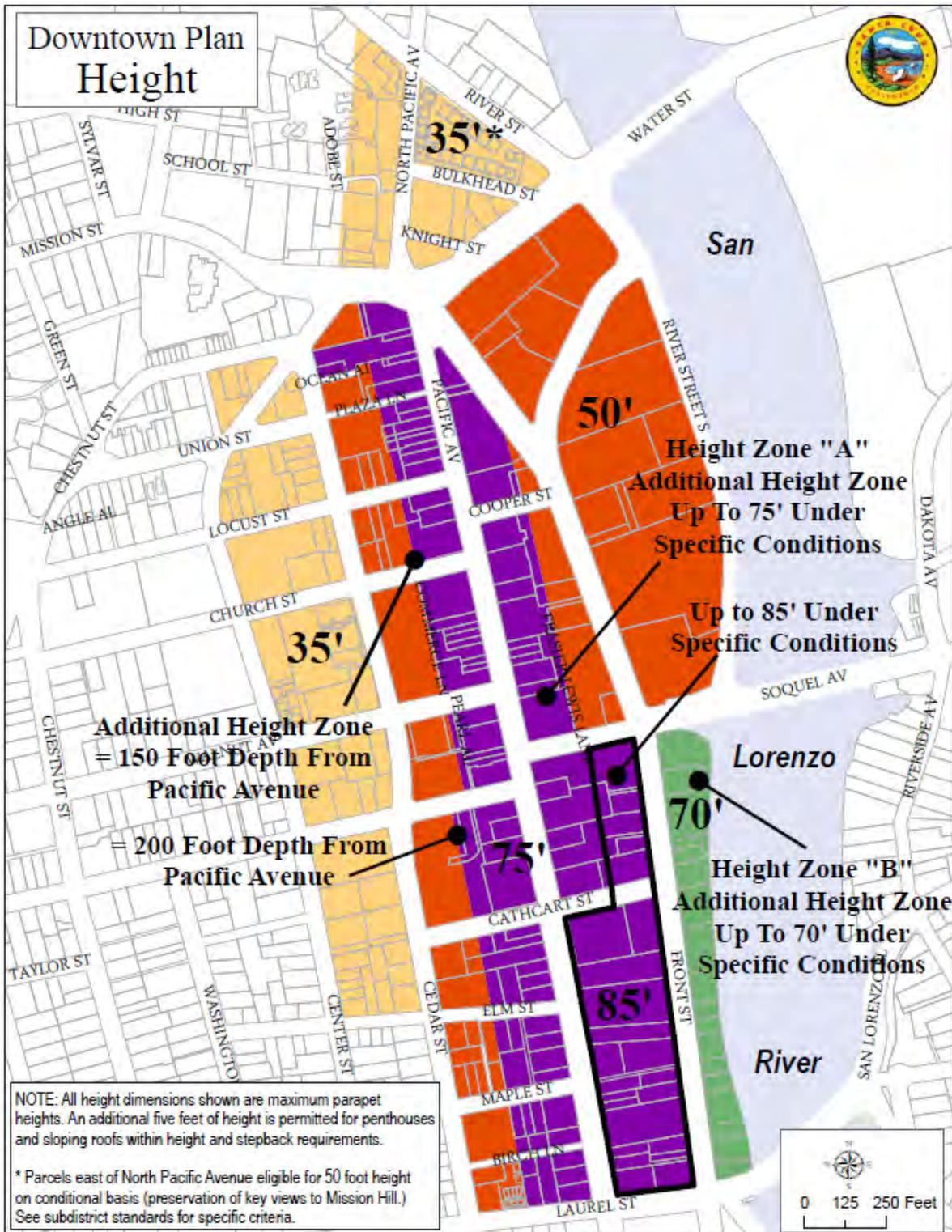


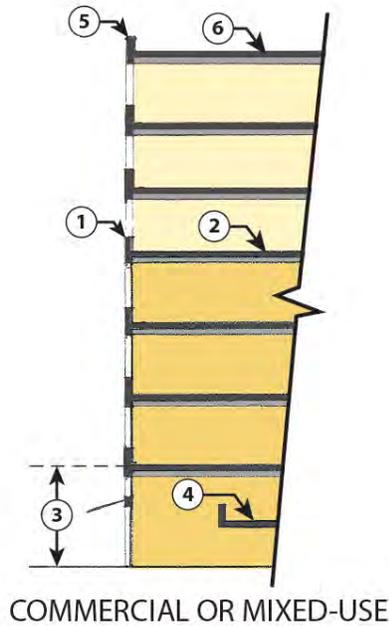
Figure A-1: Downtown Plan Height

B. PACIFIC AVENUE RETAIL DISTRICT DEVELOPMENT STANDARDS

1. Building Height

The following height standards shall apply to all development within the Pacific Avenue Retail District, including frontage along Pacific Avenue and the east-west streets within the subarea. All buildings must conform to the Base Height requirements, except for provisions for additional height within the “Additional Height Zone A”. The intent of the standards is not to create a five-story downtown, but rather to preserve the overall character and scale of the historic core while allowing some intensification and increased height on larger parcels.

- a. Floors. No new building shall be less than two stories in height. The second story shall be at least 50 percent of the first floor area and shall be located toward the street frontage. An exception may be made for building recessed breaks as described for the Additional Height Zones.
- b. Floor-to-Floor Height. The first floor uses must have a minimum floor-to-floor height of 18 feet for properties north of Cathcart Street and 15 feet minimum south of Cathcart Street. Any mezzanine shall be set back at least 30 feet from the building line on the street and shall occupy no more than one-third of the area of the first floor.
- c. Base Height and Floors. No new development shall exceed a Base Height of 55 feet (measured to the top of parapet or eaves), except as provided for in the “Additional Height Zone A”. Within this Base Height, no more than 3 floors of upper-level uses above the ground-level retail use will be permitted within the maximum 55 feet Base Height. (See Figure B-1.)



BASE HEIGHT

- ① Maximum 55' to top of parapet
- ② Maximum 3 floors of commercial or residential above 1 level of commercial
- ③ Minimum 15' ground level floor-to-floor dimension (South of Cathcart)
Minimum 18' ground level floor-to-floor dimension (North of Cathcart)
- ④ Maximum mezzanine area = 33% of ground level floor area

ADDITIONAL HEIGHT ZONE A

- ⑤ Maximum 75' to top of parapet for 60% of site area on sites 15,000 to 50,000 sf;
Maximum 85' to top of parapet for 20% of site area for sites >50,000 sf
- ⑥ Maximum 6 floors of commercial or residential above 1 level of commercial *

**Within the massing and stepback requirements for additional height.*

Figure B-1: Maximum Building Heights and Floors.

- d. Mechanical Penthouses. Uninhabitable mechanical penthouses will be permitted above the Base Height to a maximum height of 65 feet, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the buildings, unless such penthouses are architecturally integrated into the building façade design.
- e. Sloping Roofs. (45 degrees/1:1 pitch or flatter) shall be permitted up to a maximum height of 60 feet, measured to the top of the sloping roof. For projects not eligible for the Additional Height, street wall heights shall not exceed the base height limit of 55 feet.
- f. Visual Impact Study. Any site that is located where the east-west street does not cross Pacific Avenue (sites with frontage on Locust, Church, Walnut, Lincoln, Soquel, Elm and Maple Streets) must prepare a visual impact study to determine how the proposed building would be viewed from the east-west street from a pedestrian eye-level.

2. Build-to Lines and Setbacks

To ensure that Pacific Avenue and the east-west streets are spatially well defined, all development shall be built to the property line of the street. The following exceptions to this condition are noted:

- a. Active Outdoor Uses. Setbacks of up to 12 feet in depth are permitted along the northern property line of Cathcart Street, if such setbacks are intended to provide active outdoor uses (e.g., outdoor dining or public seating) oriented to the street.
- b. Laurel Street Sidewalk. Require any development along Laurel Street between Pacific Avenue and Front Street to dedicate sufficient property to result in a sidewalk depth of at least 12 feet. The precise dedication shall be consistent with the final Laurel Street design and shall be established with a build-to line.
- c. Front Street Sidewalk. Require any development along the west side of Front Street between Cathcart Street and Laurel Street to dedicate sufficient property to result in a sidewalk depth of at least 12 feet.
- d. Recessed Storefronts. Minor ground-level storefront setbacks are permitted within the provisions of the storefront and building façade standards and guidelines. Recessed storefronts up to six feet in depth and twenty-five feet in length may occur where a designated outdoor use, such as an outdoor café, is an integral part of the retail business.

3. Public and Private Parking Facilities

The Pacific Avenue Retail District is within the Downtown Parking District #1 and, as such, shall comply with all parking requirements set forth within that district. On-site parking will not be permitted unless it meets one or more of the following conditions:

- a. Below Grade Parking and Access Driveways. Parking is provided completely below grade, and access driveways to the parking facility do not conflict with the

movement of pedestrians or vehicles within the area. No driveways shall be permitted along Pacific Avenue.

- b. Visual Screening. Surface or above-grade structured parking can be provided if the parking is visually screened and separated from Pacific Avenue and east-west streets by retail development and if such parking can be accessed from an east-west street or rear service lane.
- c. West Side Front Street. Allow parking facilities along the west side of Front Street south of Soquel Avenue where only one driveway curb cut shall be permitted per facility per street frontage; the parking facility shall not extend to street corners; and the parking facility shall be architecturally integrated within the overall building composition.

4. Driveways and Curb Cuts

Limit on-site driveways along Front Street to a maximum of one driveway per property or at a spacing of at least 200 feet; driveways should be no more than 24 feet in width and to the extent practicable should be spaced from an adjacent driveway by at least 200 feet. Wider driveways may be considered based on a demonstrated need to accommodate specific vehicle operations of a proposed development..

5. Special Conditions for Maple Street Fronting Parcels 005-152-08, 005-152-17, 005-152-18, and 005-152-22.

Buildings fronting the 10-foot Maple Street alley between Pacific Avenue and Front Street shall be set back 20 feet to provide for a 50-foot wide public paseo, lane or street. If the above aggregated parcels are redeveloped together, the aggregated parcel size prior to the dedication exceeds the 15,000 square feet threshold to qualify for heights above the 55 foot base height, and shall be developed in conformance with the Additional Height Zone A performance standards. As a result of the required dedication, development on these aggregated parcels shall not be required to provide on-site parking. Developers of the aggregated parcels may pay parking fees to the Downtown Parking District in lieu of meeting the on-site parking requirements. A parking credit shall be applied to the project based on the amount of land dedicated to the City to expand the alley.

6. Special Conditions for Elm Street Pedestrian Connection (Parcel 005-152-31, 005-152-30, 005-152-05, 005-152-32, and 005-152-33).

Development of the above parcels shall include a 30-foot wide publicly accessible pedestrian connection between Pacific Avenue and Front Street. The public passageway shall be located in the vicinity of Elm Street (within approximately 50 feet of Elm Street extension). The passageway shall be integrated into the design of the development.

C. PACIFIC AVENUE RETAIL DISTRICT

BUILDING FAÇADE STANDARDS AND GUIDELINES

The intent of the urban design standards and guidelines for the Pacific Avenue Retail District is to reinforce the unique townscape qualities of the downtown, to introduce diversity and variety that will enhance the visual interest and comfort of the pedestrian, and to extend the landscape qualities of the streetscape into the private realm. The building facades of the downtown have a significant effect on the public identity and character of the downtown and, as such, need to be carefully considered.

1. Building Facades.

Building facades shall respond to the character and composition of existing commercial buildings along Pacific Avenue. More specifically, facades shall be composed with 3 clearly distinct zones: the storefront, up to 18 feet in height or 15 feet south of Cathcart Street; the upper two to three stories of the facade to the established parapet height (e.g., 55 feet); and the roof and cornice treatment, which includes the visible portions of any additional height permitted above the Base Height of 55 feet. This compositional approach is consistent with the existing building facades along Pacific Avenue, as well as the desire to reinforce the pedestrian realm and avoid the creation of monolithic vertical walls along the street edge. A separation of treatment shall be clearly established between the ground-level storefront and the upper building levels, utilizing a strong belt course or architectural line, and through the specific storefront treatment described below. Similarly, a strong cornice line or roof treatment is encouraged to promote variety and a distinctive silhouette along the street.

2. Adjacent Buildings.

The composition of building facades shall also be considered in relation to adjacent buildings of historic or architectural value. While it is not the intent to maintain a consistent treatment along the street edge, the composition of new development shall seek to be harmonious and compatible with elements of adjacent structures, such as window proportions, the design of horizontal belt courses and cornice treatments, building materials and architectural elements.

3. Upper-Level Facades. (i.e., the two to three levels of building wall up to the 55-foot Base Height)

Upper-level facades shall provide a counterpoint to the storefronts below, and provide a visually interesting and varied edge to the public space of the street. In general, the upper-level façade shall be built to the property line and consist of carefully composed “punctured openings” within a richly detailed wall. A variety of treatments shall be introduced to create richness in both the horizontal and vertical planes, including:

- balconies
- bay windows
- flower boxes
- awnings
- cornice and belt courses, etc.

4. Streetwall.

To create a visually interesting “streetwall” with a rhythm and cadence that is reflective of the pattern of development along Pacific Avenue, building facades shall introduce variation at general intervals of 25 to 50 feet with the use of:

- fenestration,
- architectural elements,
- building materials, and/or
- building planes.

Large, uninterrupted expanses of horizontal or vertical wall surface shall be avoided. Regardless of property lines, the appearance shall be of a street with varying architectural treatments at intervals of no more than 50 to 75 feet. The multiple rhythms shall be created through the careful design of building elements and three-dimensional articulation of building elements sufficient to mitigate the presence of long, blank walls along Pacific Avenue, Front Street and Cedar Street the east-west streets, and the alleys. Elements that make up the rhythmic variation may include, but are not limited to:

- recessed windows;
- projecting windows;
- bay windows;
- structural elements;
- surface textures, patterns and colors;
- trim elements;
- balconies;
- belt-cornices;
- cornices;
- awnings and shutters; and
- landscape elements.

5. Cornices and Belt Courses.

Overhead horizontal projections (providing at least 8 feet of clearance above grade) of a purely architectural or decorative character such as cornices, eaves, sills and belt courses shall define the building elements (base, middle and top) and create three-dimensional interest in the façade, provided that they do not project more than:

- a. At roof level, 3 feet into the public right-of-way or a designated setback area.
- b. At every other level, 1 foot into the public right-of-way or designated setback area.

6. Windows.

Building walls shall be punctured by well-proportioned openings that provide three dimensional relief, detail, interest and rhythmic variation on the facade. Variation in rhythm shall be provided both horizontally and vertically. Large expanses of glass on the upper levels shall be considered only where activities of interest to the pedestrian can be highlighted, and in such cases, the design of these openings shall be carefully integrated

within the overall facade composition. Windows shall be recessed a minimum of six inches from the face of the wall to emphasize the thickness of the wall consistent with the historical, traditional and newer buildings on Pacific Avenue; or windows other than bay windows may project from the wall six inches maximum into the public right-of-way. Windows shall be of high quality and shall be operable at the upper level and composed of elements that emulate the size and detail of the windows on Pacific Avenue. Window moldings and/or shutters with projections up to six inches are encouraged to provide detail, shade and articulation to building facades.

7. Upper Level Bay Windows and Balconies.

Bay or projecting windows and balconies are encouraged and may be permitted on upper levels of buildings, provided that a minimum of 10 feet of clearance is provided to grade and that the following provisions are met:

- a. The projection into the public right-of-way or designated setback area is no more than 3 feet; where sidewalks are less than 10 feet in depth, this projection shall be limited to 2 feet; along alleys, no projection shall be closer than 8 feet to the centerline of any alley.
- b. The glass area of the bay window, and the open portions of each balcony, shall not be less than 50 percent of the total area of the vertical surfaces of the projection.
- c. Bay windows and balconies shall "punctuate" rather than dominate the facade; to this end, the maximum length of bay windows shall be 15 feet at the property line or setback line; this width shall be reduced to a maximum width of 9 feet at the full projection of 3 feet, by means of 45 degree angles at the sides of all projecting bay windows. Perpendicular bay windows and balconies (or projections at a different angle) may be permitted, provided that they remain within the outside dimensions described above. Unless balconies are used as a means of distinguishing the storefront area from the upper-level facades, they shall be generally 15 feet in width or less.
- d. The minimum horizontal separation between bay windows, between balconies, and between bay windows and balconies shall be three feet as measured from the face of the building wall along the property line or setback line. A bay window or balcony shall not occur within two feet of the building edge. The intent of this guideline is to ensure that bay windows and balconies do not visually dominate the building wall.

8. Skyline Architectural Variations.

Special attention shall be paid to the articulation of the top portion of buildings such as variation in height, massing, materials, horizontal bands, cornices and parapets. Rooflines shall be broken at intervals no greater than 50 to 60 feet by roof elements or step backs to reinforce the predominant building increment along Pacific Avenue. Interesting and varied roof forms are encouraged. Rooftop equipment shall be completely concealed from view and integrated within the architectural vocabulary of the building. The use of landscaped roof terraces and gardens is also recommended.

9. Building Materials.

To extend the character of the existing downtown, building materials shall evoke honesty and solidity. Stone, brick and stucco, richly detailed to provide visual interest and variation, are encouraged as the predominant building materials. While wood and metal are desirable materials for window casings and trim, large expanses of wood or metal siding are discouraged as the predominant building materials. Such materials are considered appropriate for ornamental elements on the facade. Applied brick tiles that attempt to give the appearance of genuine masonry are also discouraged as the predominant building material. Decorative ceramic tiles are encouraged, however, as accent features. Reflective glass is prohibited.

10. Colors.

Materials shall be relatively light in color. To create a lively visual environment, earth tones, terra-cotta, pastels or whites, accented with dark or bright colors, are recommended. Roofing materials and accenting features such as canopies, cornices, tile accents, etc. shall also offer color variation. The color scheme for the building shall be compatible in color and value with the adjacent structures and shall be compatible with and sympathetic to the overall color palette of the buildings in the block and the downtown.

11. Landscape Provisions.

To promote a unique image and identity of downtown in its coastal setting, buildings shall incorporate provisions for planting, including flower boxes, topiary planting, and climbing vines. Plant materials within the planters, planting beds, flower boxes and flower pots shall provide color and variety throughout the year. The use of artificial plants shall not be permitted.

At least two of the following landscape concepts shall be incorporated into each Pacific Avenue or East-West Streets façade design (or 30 feet of retail frontage). In general, the landscape shall aggregately cover a minimum of 25 percent of the length of the storefront:

- a. Landscape setbacks up to 18 inches in depth.
- b. Landscape planters recessed into Pacific Avenue sidewalk, up to 18 inches into the public right-of-way.
- c. Planter boxes no more than 24 inches in height may be permitted to project into the public right-of-way up to 18 inches. Window boxes also may be permitted to project from bay windows and balconies by 18 inches. Planter and window boxes shall provide internal and concealed drains connected to roof drains to avoid overflow to the street; they shall also be designed with high quality durable materials that are compatible and integral with the building façade.

- d. Hanging flower pots may project into the public right-of-way up to 18 inches and shall have a minimum 8-foot clearance within the public right-of-way unless hanging directly above planter boxes.
- e. Trellis structures supporting climbing vines that may project up to six inches into the public right-of-way or, where more than eight feet above the sidewalk, may project up to 18 inches into the public right-of-way.

12. Rear Service Alleys.

Upper-level facade treatments adjacent to the rear service lanes shall be consistent in quality and design with treatments adjacent to public streets and rights-of-way. The use of planting (e.g., planter and window boxes, trellises, topiary) on building facades adjacent to the service lanes is particularly encouraged to enhance the visual and pedestrian character of the alley.

13. Exterior Lighting.

Buildings shall provide warm (color temperature equal to incandescent), low-level lighting from sundown to 10:00 PM nightly as an integral part of the facade design to add to the nighttime ambient light level in the downtown and to add nighttime visual interest to the buildings. Accent lighting using warm, low-level energy efficient light sources is encouraged as an integral part of the facade design.

14. Property Line Walls.

Where a building shares a property line with an adjacent property or building, mitigate the potential for large blank walls as follows:

- a. Where the adjacent building is lower than the proposed building, the property line wall shall be set back from the property line sufficient to allow windows in the new wall; or
- b. The applicant shall seek an easement from the adjacent property owner to allow windows (subject to the future redevelopment of the adjacent property). Mitigation measures shall be incorporated to allow windows under the Building Code.
- c. This provision may be modified by the Planning Director, subject to the preparation of a visual computer simulation of the building in context of the building viewed from key points at pedestrian eye level down Pacific Avenue and key intersecting streets.

D. PACIFIC AVENUE RETAIL DISTRICT STOREFRONT STANDARDS AND DESIGN GUIDELINES

All storefront improvements with an improvement cost of more than \$10,000 require a Design Permit. All storefronts in a new building or re-developed building shall conform to the following storefront design standards:

1. Primary Entrance. All buildings with frontage along Pacific Avenue shall have a primary entrance on Pacific Avenue.
2. Blank Walls. All buildings with frontage on Pacific Avenue or the East-West streets shall not have blank walls exceeding ten (10) feet in length. Blank walls shall be mitigated with trellises and/or climbing plants or other architectural or landscape elements.
3. Door Entry Frequency. Establishments with frontage along Pacific Avenue shall provide door entries no further distant than 50 feet along the Pacific Avenue or east-west street frontage.
4. Open Entries to Street. Street front entries shall remain unlocked and unblocked and shall remain in use during store hours.
5. Unique Entrances. The ground floor frontage along Pacific Avenue shall be modulated, articulated, textured, colored and given such other architectural treatment to provide a visually differentiated store "front" every 25 feet.
6. Entrance Design. Storefronts shall incorporate at least two of the following design concepts into the storefront designs.
 - a. Bay Windows. Provide bay windows up to 12 feet in length that may project up to 12 inches into the public ROW - where the bay window has glazing on all projecting faces.
 - b. Porticos. Provide porticos around the entry door that may project up to 12 inches into the public ROW.
 - c. Awnings. Provide awnings that may overhang the sidewalk a maximum of 6 feet with a vertical clearance above the sidewalk between 8 feet and 14 feet.
 - d. Marquis. Provide permanent marquis structures or canopies that project from the building at entries (maximum 10 feet in length, minimum height 8 feet above the sidewalk and maximum projection of 6 feet into the ROW).
 - e. Signs. Provide decorative signs that project into the ROW per Central Business District sign ordinance.
 - f. Glazing. The use of reflective or tinted glass in ground level show windows is prohibited.

- g. Store Displays. Store displays shall be configured in such a way as to allow pedestrians to see into the store from the sidewalk. Goods, posters, photos or other visual images shall be placed a sufficient distance from the store windows to enable pedestrians to see clearly into the store.

E. FRONT STREET/RIVERFRONT CORRIDOR DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Height and Stepback Requirements

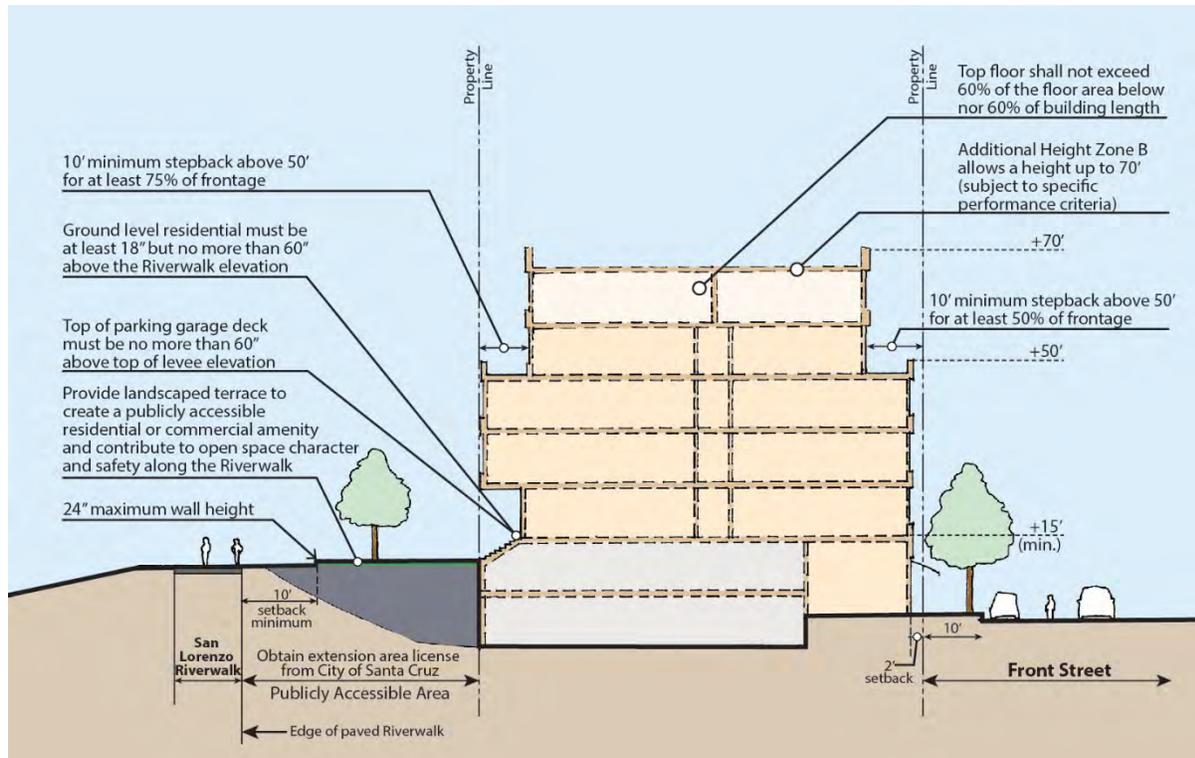


Figure E-1: Proposed base and additional height and stepback requirements along the Front Street/ Riverfront Corridor.

- a. Base Height and Floors. No new development shall exceed a base height of 50 feet (measured to the top of parapet or eaves on the highest floor). Within this base height, no more than 3 floors with a mix of uses above the ground-level retail use will be permitted within the maximum base height of 50 feet.
- b. Mechanical Penthouses. Uninhabitable mechanical penthouses will be permitted above the base height to a maximum height of 60 feet, provided that such penthouses are set back from the face of buildings by a minimum of 15 feet and that sloping roofs meet the provisions of c. below, unless the penthouse is architecturally integrated into the building facade.
- c. Upper Level Stepbacks from Streets and Public Passageways. In order to promote a pedestrian scale, to increase light to the street, and to reduce overall building mass and scale, development above 50 feet in height shall be required to step back from the Front Street façade a minimum of 10 feet. At least 50% of building frontage along Front Street and Soquel Avenue shall step back 10 feet above the height of 50 feet. Buildings adjacent to River Street, east-west streets, and publicly accessible

passageways shall step back at least 10 feet from the street for any height above 35 feet.

- d. Upper Level Stepback from River. Along the west side of the Riverwalk, development shall step back 10 feet from the exterior wall face above the 50 foot height level as measured from Front Street sidewalk elevation. Allow up to 25% of the Riverwalk building frontage to encroach into the required 10-foot stepback area to provide for massing variation. (See Figure E-1).

2. Build-to Lines and Setbacks.

In order to promote well-defined streets, development shall generally be required to be built to the property line adjacent to public streets. The following exceptions to this condition are noted:

- a. Sidewalk Width. In locations where the sidewalk is less than 12 feet wide, development shall be set back from the property line to create a 12-foot sidewalk. Development along Laurel Street and Front Street shall dedicate sufficient property to result in a sidewalk depth of at least 12 feet. The precise dedication shall be consistent with the final Laurel Street design and shall be established with a build-to line.
- b. Gateway Landscaping. New development along Water Street (south side), Laurel Street (north side), and Soquel Avenue shall be set back from the sidewalk by 10 feet to allow for generous gateway landscaping treatment.
- c. Building Length. Between Soquel Avenue and Laurel Street, limit the length of individual buildings along Front Street to a maximum of 300 feet of lineal street frontage, subject to the performance criteria for improved public access to the Riverwalk from Front Street at the key connection points of Cathcart Street, near Elm Street and Maple Street. (See Figure E-2)
- d. Riverwalk Property Line. No setback from the Riverwalk property line is required.
- e. Encroachments. Development along the Riverwalk shall not encroach beyond the property line of the parcel, except in cases where levee-facing “people-oriented” commercial activities incorporate public access points to the Riverwalk. Top floor cantilevered portions of the building are allowed to encroach over the property line a maximum of 5 feet in order to provide architectural interest to the façade. Such cantilevered encroachment over the property line shall not exceed 25 percent of the total building frontage along the riverfront.



Figure E-2: Proposed building massing and public access requirements along Front Street and the riverfront.

3. Storefront Treatment.

While it is recognized that the Front Street/Riverfront Corridor is less pedestrian intensive than the Pacific Avenue District, the ground-level treatment of commercial buildings and parking structures within the area shall generally comply with those for the Pacific Avenue Retail District in terms of: storefront access, transparency and variation; and the use of awnings and canopies. Special attention shall be given to the treatment of intersections, to reinforce their gateway role to Pacific Avenue and to create a high level of interest and activity along the street.

4. Riverwalk Promenade.

The Riverwalk Promenade is the paved bicycle and pedestrian path on top of the river levee. The interface between the public Riverwalk and the adjacent private development is a vitally important element of the Downtown Plan. As such, all development along the Riverwalk will involve some form of public/private partnership and cooperation. Key performance criteria include:

- a. Riverwalk Setback. Residential or outdoor commercial uses adjacent to the Riverwalk shall be no closer than 10 feet from the western edge of the physical walkway, except where “people-oriented” commercial uses incorporate public access points to the Riverwalk.
- b. Levee Fill. All development shall fill the western slope of the levee (which may include both public and private property) as directed by the City of Santa Cruz and Army Corps of Engineers to create a level condition between the Riverwalk and the adjacent building. The filled area may terrace up from the maximum 24-inch wall to the finished floor of the development in a way that allows for the outdoor spaces to be publicly accessible. (See Figure E-1.)

- c. Retaining Wall at Property Line. Design the wall of the ground level of the building to structurally support fill material, and to provide appropriate under-drainage.
- d. Landscaping. Landscaping this private and public space shall incorporate trees and vegetation appropriate to the river environment. Walls along the Riverwalk shall not exceed 24 inches in height and shall be set back from the promenade by at least 10 feet. Other than trees, landscaping shall not exceed 42 inches in height above grade. Trees planted as part of the San Lorenzo Flood Control Improvement Project should be maintained and incorporated into new development where feasible and where not in conflict with the required fill or publicly accessible amenities.
- e. Extension Area License Agreement for Public Space. The City shall consider negotiated Extension Area license agreements on the publicly owned land on the west side of the Riverwalk for open space purposes that promote activity and overlook the Riverwalk and river. The publically accessible open space area shall be visually open and accessible from the Riverwalk, but may be delineated with a low fence or hedge no more than 42 inches in height.
- f. Commercial Criteria. In the case of commercial development, the area subject to the license agreement may be terraced and shall be designed to accommodate outdoor eating or public seating, and shall be within 24 inches of the Riverwalk elevation.
- g. Public/Private Interface. In the case of residential development, the area subject to the license agreement and associated private yard shall be designed as a visually accessible garden space that provides a transition to the public Riverwalk. Residential entrances facing the river shall be elevated at least 18 inches, but no more than 5 feet above the Riverwalk to create privacy and differentiation of public and private spaces.
- h. Entrances Along Riverfront. Entries, either to individual residential units or common entrances, or to commercial establishments, shall be provided along the riverfront promenade at intervals no greater than 75 feet.
- i. Fencing. Fencing shall be decorative, visually open rail material, creating a visual connection between the private and public spaces.
- j. Visually Open Development. Solid vegetation in the form of a visual screen or hedge is prohibited and views to the Riverwalk from private open spaces are required. Line of sight views between the development and the Riverwalk are intended to ensure a safe and interesting environment to joggers, walkers and cyclists.

5. Access to the Riverwalk.

Between Soquel Avenue and Laurel Streets along Front Street, new development shall provide east-west public access between the Riverwalk and the Front Street sidewalk at or near the extension of Cathcart Street, Elm Street and Maple Street. Developers of riverfront properties shall be required to physically and/or financially contribute their fair share through conditions of approval, an Improvement District, Development Agreement, or similar

mechanisms to the improvement of these publicly accessible connections. Development shall be consistent with the following performance standards:

- a. Publicly Open Passageways. Such access shall be open to the public during daylight hours.
 - b. Pedestrian Focus. Such publicly accessible connections shall be predominantly pedestrian in nature and located within 50 feet of the Front Street intersections at the terminus of Cathcart Street and the extensions of Maple and Elm Streets. In addition to the pedestrian access, bicycle access shall be provided at the extension of Elm Street, which will serve as the primary bicycle access to the Riverwalk between Soquel Avenue and Laurel Street.
 - c. Passageway Widths. The width of these publicly accessible pedestrian connections shall be no less than the following: 60 feet at or near the terminus of Cathcart Street; 50 feet at or near the terminus of Maple Street; and 30 feet at or near the extension of Elm Street.
 - d. Vertically Open Passageways. These passageways shall be open to the sky, provide a high quality accessible path of travel between the Front Street sidewalk and the Riverwalk, and provide clear building breaks that avoid the walling off of the river from downtown.
 - e. Pedestrian Oriented Uses. The pedestrian passageways shall be lined with active pedestrian-oriented uses that create a safe and interesting environment, including commercial uses, outdoor cafes, resident-serving amenities, building entries and/or lobbies. Such uses, particularly restaurants and outdoor cafes, are strongly encouraged to provide direct frontage and active outdoor areas along both the pedestrian passageway and the Riverwalk.
6. Upper-Level Facade Treatment.

The treatment of upper-level facades shall generally comply with the guidelines for the Pacific Avenue Retail District in terms of building rhythm, corner treatment, windows, roof treatment, building materials, colors and planting, and rear service lanes.

7. Gateway Treatments.

New development that occurs at key gateway intersections to the downtown (e.g., River-Water; Pacific-Front; Cooper-Front; Soquel-Front; Cathcart-Front; Laurel-Front) shall be articulated to accentuate this condition. Treatments could include corner towers or turrets, setbacks, distinctive changes in fenestration and materials, etc.

8. Riverfront Residential.

Residential development occurring along the Front Street/Riverfront Corridor, or future residential development that may occur as part of a mixed-use development on the northeast corner of the Front/Soquel intersection, shall be highly articulated and expressive of the individual units within the complex. The use of sloping roofs, recessed loggias

and balconies, bay windows, dormers and chimneys shall be carefully composed to create an intricate composition that expresses individual unit modules to the maximum extent practicable. A variety of building materials is encouraged, including the building materials recommended for the Pacific Avenue district above (e.g., stucco, brick, and stone). To avoid the creation of a "wall" of development along the riverfront between Soquel and Laurel Streets, development shall be highly articulated with variation in height. The required 10-foot sideyard setbacks shall also serve to break up the mass of development along this important edge.

9. Public and Private Parking Facilities.

The Front Street/Riverfront Corridor is within the Downtown Parking District #1 and development shall comply with all parking requirements set forth within that district.

- a. Surface Lot Landscaping. Existing and/or expanded surface parking lots within the Front Street/Riverfront Corridor shall be well landscaped. In addition to the landscaped area requirements for surface parking provided in the zoning ordinance, surface lots shall provide at least one tree for every four parking spaces, distributed throughout the lot. Surface lots shall be screened from the public sidewalk with low walls, planters, or hedges.
- b. West Side of Front Street. Allow parking facilities along the west side of Front Street south of Soquel Avenue, where only one driveway curb cut shall be permitted per parking facility per street frontage; the parking facility shall not extend to street corners; and the parking facility shall be architecturally integrated within the overall building composition.
- c. Structured Parking Design. Above-grade structured parking should be visually separated at the ground level from all public sidewalks and streets by means of active storefront uses as described above. Such parking should be accessed, to the maximum extent possible, from east-west streets or rear service lanes.
- d. Structured Parking Facades. Parking structure facades shall be designed as compatible visual extensions of other multi-story buildings.
- e. Structured Parking Rear Façade. Special attention shall also be given to the design of parking structure facades adjacent to rear service lanes, to reinforce their attractiveness for pedestrian use. The use of integrated trellis structures and planters along the service lanes is recommended.
- f. Screens and Trellises. Decorative screen and trellis elements of durable, high-quality materials are also encouraged to provide variation and interest on the facade.
- g. Garage Ramp Visibility. Sloping floor elevations shall not occur within 10 feet of the adjacent public street.
- h. Wrap Garage with Commercial. Where parcel depth permits, the face of the parking structure shall be set back from ground floor commercial uses.

- i. Garage Openings. Openings shall be carefully composed within the building wall to appear as well-proportioned windows, rather than continuous strips; variation in the dimension and proportion of openings and in the horizontal and vertical planes of the facade shall be provided to create visual interest and to reduce the massiveness of the parking structure.
- j. Entrances and Stairways. Entryways and stairways shall be located along the street edge; they shall be well lit and visible from the street to promote security and a feeling of comfort.
- k. Top Deck Elevation. The top deck of all structured and encapsulated parking shall be constructed to an elevation no greater than 5 feet above that of the Riverwalk promenade and shall be screened from public view. Parking garages may exceed the maximum building length of 250 feet if they are lower than 5 feet above the adjacent levee elevation.

10. Driveways and Curb Cuts.

Limit on-site driveways along Front Street to a maximum of one driveway per property or at a spacing of at least 200 feet; driveways should be no more than 24 feet in width and to the extent practicable should be spaced from an adjacent driveway by at least 200 feet. Wider driveways may be considered based on a demonstrated need to accommodate specific vehicle operations of a proposed development.

11. Guidance for Bird Safe Structures Along the San Lorenzo River.

The following measures shall be incorporated into all development projects that are located between Front Street and the San Lorenzo River.

- Minimize the overall amount of glass on building exteriors facing the San Lorenzo River.
- Avoid mirrors and large areas of reflective glass.
- Avoid transparent glass skyways, walkways, or entryways, free-standing glass walls, and transparent building corners.
- Utilize glass/window treatments that create a visual signal or barrier to help alert birds to presence of glass. Avoid funneling open space to a building façade.
- Strategically place landscaping to reduce reflection and views of foliage inside or through glass.
- Avoid up-lighting and spotlights. Turn non-emergency lighting off (such as by automatic shutoff), or shield it, at night to minimize light from buildings that is visible to birds, especially during bird migration season (February-May and August-November).

F. CEDAR STREET VILLAGE CORRIDOR DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Height and Stepback Requirements.

- a. Base Height and Floors. The maximum height of all development within the Cedar Street Village Corridor shall be 35 feet (3 floors maximum). East of Cedar Street, development may be allowed to exceed 35 feet on a discretionary basis to a maximum height of 50 feet (4 floors maximum). The granting of additional height above thirty-five (35) feet is discretionary and requires a Design Permit with the recommendation of the Planning Director to the City Council, which must approve the additional height.

2. Storefront Treatment.

The ground-level treatment of buildings and parking structures within the Cedar Street subarea shall generally comply with guidelines for the Pacific Avenue retail subarea, in terms of storefront access, transparency and variation, and the use of landscaping, awnings and canopies. However, it is recognized that Cedar Street has a more informal character than Pacific Avenue and, as such, more variation of ground-level treatment is envisioned and encouraged. The use of porches and terraced gardens as an intermediate space between the ground floor use and the sidewalk is permitted, as long as the finished floor elevation of the ground floor use is no more than four feet above or below the sidewalk level, and accessibility requirements are met.

3. Upper-Level Facade Treatment.

The treatment of upper-level facades shall generally comply with the guidelines for the Pacific Avenue Retail District in terms of building rhythm, corner treatment, windows, roof treatment, building materials, colors and planting. In recognition, however, of the area's village character, several special conditions are noted:

- a. Architectural Elements. The use of architectural elements that promote the village character of the street is encouraged. Such elements could include sloping roofs, chimneys, bay windows, dormers, recessed loggias, balconies, and porches.
- b. Articulation. Facades shall be highly articulated and varied; the introduction of moldings and trims, and changes in horizontal and vertical planes are strongly encouraged to create visual interest and variation in light and shadow. Residential development shall be highly articulated and expressive of the individual units within the complex.
- c. Building Materials. Building materials can be more diverse and residential in character than those recommended for the Pacific Avenue Retail District. The use of wood as a siding material is encouraged.

- d. Flowers and Landscaping. The use of planters, trellises and topiary treatment of buildings is encouraged to further enliven the area and to promote its unique village qualities.

4. Public and Private Parking Facilities.

Parking structure facades shall be designed as compatible visual extensions of other multi-story buildings. Sloping floor elevations shall not occur adjacent to public streets. Where parcel depth permits, the face of the parking structure shall be set back from ground floor commercial uses. Openings shall be carefully composed within the building wall to appear as well-proportioned windows, rather than continuous strips; variation in the dimension and proportion of openings and in the horizontal and vertical planes of the facade shall be provided to create visual interest and to reduce the mass of the parking structure. Decorative screen and trellis elements of durable, high-quality materials are also encouraged to provide variation and interest on the facade. Special attention shall also be given to the design of parking structure facades adjacent to rear service lanes, to reinforce their attractiveness for pedestrian use. The use of integrated trellis structures and planters along the service lanes is recommended. Entries and stairwells within parking structures shall be located adjacent to public streets and designed to be visually open, to promote a feeling of security and comfort.

G. NORTH PACIFIC AREA DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Height and Stepback Requirements

- a. Base Height and Floors. The maximum height of all development within the North Pacific subarea shall be 35 feet (3 floors maximum). However, within this 35 foot Base Height, east of North Pacific Avenue, development may be allowed on a discretionary basis to a maximum height of 50 feet (4 floors maximum). The granting of additional height above 35 feet is discretionary and requires a Design Permit with the recommendation of the Director of Planning to the City Council, which must approve the additional height.
- b. Minimum Floor Height. The first floor uses must have a minimum floor-to-floor height of 14 feet.
- c. Visual Analysis and Criteria for Exceeding Base Height. Proposed development above 35 feet, up to 50 feet, must prepare a detailed visual analysis of the building to determine the visual impact. The visual impact analysis must consider the views from the mid-point of the Water Street Bridge looking toward the Mission Hill, from Mission Hill and other key locations within the City. The additional building height shall not obstruct views of the profile of the top of the grade of Mission Hill as viewed from the crest of the Water Street Bridge;
 - i. Additional height above 45 feet, up to a maximum of 50 feet, must demonstrate that the building creates a superior gateway entrance to Pacific Avenue and the Downtown; and
 - ii. The building height above 35 feet shall be stepped back a minimum of ten (10) feet from the 35 foot Base Height. The additional height shall be highly articulated and the upper level shall gently transition to surrounding development.
 - iii. Uninhabitable mechanical penthouses will be permitted above the Base Height to a maximum height of 5 feet above the permitted building height, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the buildings and are out of the pedestrian's view, unless such penthouses are architecturally integrated into the building façade design.

2. Build-to Lines and Setbacks.

To promote well-defined streets, development shall generally be required to be built to the property line adjacent to public streets. The following exceptions to this condition are noted:

- a. Sidewalk Width. In locations where the sidewalk is less than 12 feet, development shall be set back from the property line to create a 12-foot sidewalk.
- b. Gateway Landscaping. Within this subarea, new development along Water Street (north side) and River Street (west side) shall be set back from the property line by 10 feet to allow for generous gateway landscaping treatment. Buildings along River Street may project into this setback with approval of a landscape plan provided that the average setback along that street remains 10 feet.

- c. Non-Residential Elevation. Along Pacific Avenue and Water Street, ground level uses shall not be located more than one foot above the elevation of the adjacent curb.
- d. Residential Elevation. Along River Street, the first occupied residential floor level shall not be higher than five feet above the adjacent curb. For each one foot above the adjacent curb, an additional one foot of landscape setback shall be required.

3. Gateway Intersections.

The intersections of Water and River Streets, and River Street and North Pacific Avenue, are important gateways to the downtown. New development that occurs at these key gateway intersections shall be designed to accentuate this condition. Treatments shall include corner towers or turrets, setbacks, distinctive changes in fenestration and materials. The design of the ground level of the buildings at these intersections shall be articulated to reinforce the gateway significance utilizing corner setbacks, small plazas, large display windows, distinctive entrance features and canopies.

4. Building Facades.

The treatment of upper-level facades shall generally comply with the guidelines and standards for the Pacific Avenue Retail District in terms of building rhythm, articulation, corner treatment, windows, roof treatment, building materials, colors and planting.

5. Ground-Level Storefronts.

The design of the ground-level of buildings facing North Pacific Avenue, River Street and Water Street shall generally follow the guidelines and standards described for the Pacific Avenue Retail District to the south (e.g., access and transparency, storefront variation and treatment, awnings, canopies).

6. River Street.

The setback area described above for River Street shall include a well-designed landscape concept to enhance the gateway role and appearance of River Street and to create a transition between private development and the street. This landscaped area shall be broken at intervals to provide entrances to adjacent ground-level uses.

7. River Street Residential.

If residential development occurs along the River Street Corridor, it shall be highly articulated and expressive of the individual units within the complex. The use of sloping roofs, recessed loggias and balconies, bay windows, dormers, and chimneys shall be carefully composed to create an intricate and pleasing composition. Clapboard wood siding is encouraged, in addition to the building materials recommended for the Pacific Avenue Retail District above (e.g., stucco, brick, and stone).

8. Town Clock Park/Scope Park.

New development occurring adjacent to Town Clock Park (Knight Street right-of-way) or Scope Park shall have a strong ground-level orientation to these public open spaces. Buildings along Knight Street shall be built to the property line to maintain the spatial quality of Town Clock Park and to reinforce the civic importance of the Water-Pacific-Front intersection. Ground-level uses shall be pedestrian-oriented, and the treatment of storefront facades shall correspond with the guidelines described for the Pacific Avenue Retail District.

9. Public and Private Parking Facilities.

For properties in the North Pacific subarea which are not within the downtown Parking District #1, new development must comply with the City's general standards related to parking.

- a. Surface Parking Lots. Existing and/or expanded surface parking lots within the North Pacific area shall be well landscaped, with at least one tree for every four parking spaces, and screened from the public sidewalk with low walls, planters or hedges.
- b. Structured Parking. Parking structures in the North Pacific Area shall be an integral part of the development that it serves, either in below-grade structures or above-grade structures that are sensitively encapsulated within the overall building form.
- c. Location of Structured Parking. Exposed parking structures shall be limited to the interior of the block or to Bulkhead Street.
- d. Parking Structure Façade. Where parking is exposed as a facade, such facades shall be designed as an integral extension of the overall building facade.
- e. Garage Ramps. Sloping floor elevations shall not occur within 10 feet of the adjacent public street.
- f. Garage Openings. Openings shall be carefully composed within the building wall to appear as well-proportioned windows, rather than continuous strips; variation in the dimension and proportion of openings and in the horizontal and vertical planes of the facade shall be provided to create visual interest and to reduce the mass of the parking structure.
- g. Screens and Trellises. Decorative screen and trellis elements of durable, high-quality materials are also encouraged to provide variation and interest on the facade.
- h. Wrap Garage with Commercial. Above-grade structured parking facing River Street, Water Street or North Pacific Avenue shall be visually separated from all public sidewalks at the ground level by means of active ground-level uses as described above. Such parking shall be accessed, to the maximum extent possible, from east-west streets (e.g., Bulkhead Street). New access driveways along North Pacific Avenue, River and Water Streets shall be avoided.

H. ADDITIONAL HEIGHT ZONES

In 1991 when the original Downtown Recovery Plan was being developed, the community was concerned about the impact of four and five-story buildings on the predominantly one and two-story downtown. Since 1991, there has been significant infill development that has diversified the mix and intensity of downtown uses, with upper level office and residential uses. No longer is Downtown Santa Cruz and Pacific Avenue a one- and two-story downtown; it has evolved into a vibrant three to seven story district.

As such, the Additional Height Zone A is extended to eligible sites south of Cathcart Street and along the west side of Front Street; and Additional Height Zone B is established along the Front Street/Riverfront Corridor south of Soquel Avenue to Laurel Street. (See Downtown Plan Height diagram) The City also wishes to promote uses that foster activity and a sense of stewardship, allowing the area to evolve from a service district to an integral part of the overall downtown. In order to achieve this goal, residential uses are considered highly desirable upper-level uses, with active commercial and people-oriented uses at street level. It is recognized that smaller parcels may need to be assembled and consolidated to create viable areas for redevelopment, but development of assembled properties shall be done in a way that maintains the town scale and character of the downtown, with its diverse mix of small- and medium-sized buildings, its pedestrian orientation and, its block pattern that provides multiple street and walkway connections.

The scale of blocks and parcels is a critical component, contributing to the town scale and pedestrian orientation of downtown Santa Cruz. In the areas south of Cathcart Street and Soquel Avenue, the larger block sizes make it particularly important to create additional pedestrian connections between Pacific Avenue and Front Street, and between Front Street and the Riverwalk. This has been a community vision, dating back to the original Downtown Recovery Plan and reinforced with the 2010 River/Front and Lower Pacific Design Guidelines and Development Standards. However, regulations alone cannot be expected to accomplish such transformational change, which will involve public improvements and strong public/private partnerships. Financing tools for the implementation of enhanced pedestrian linkages to the river, and for improved bicycle and pedestrian amenities along Front Street, shall be considered to leverage increased land values in the area and to provide for equitable contributions from the private sector.

In establishing the development standards for the Additional Height Zones, it is important to make sure that the standards reflect the unique conditions and opportunities of the area. It is necessary to avoid the creation of large, monolithic buildings that are out of scale with the finer-grained development pattern of the downtown.

Buildings of additional height above the Downtown's dominant three to four-stories may depart from the tri-partite facades of the historic downtown, but shall be designed in a manner that creates a positive relationship and an appropriate scale transition to the existing fabric. In addition to the volumetric standards set forth as a basis for additional height in Additional Height Zone A, building stepbacks, belt courses, material, plane and/or fenestration changes are design strategies that should be employed to create compatible architectural and scale relationships with adjacent buildings of lower height. A strong and well detailed storefront and building base is

critical to the continuity of the retail and pedestrian environment of the Downtown; intermediate floors should be composed with window openings, balconies or projections that provide visual interest and a scale relationship with adjacent buildings; and the top most floor(s) should contribute to the overall silhouette and spatial form of the street with reduced floor plates, cornices, projecting canopies or other special architectural elements.

Rather than relying on building stepbacks and terracing to achieve an appropriate scale transition to smaller buildings, the standards call for horizontal and vertical variation to create the appearance of multiple buildings that are more in keeping with the surrounding area. Additional height – even up to 85 feet in the Additional Height Zone A – can be absorbed appropriately if it is confined to a portion of a property, rather than as a massive block, terraced back from the street.

1. Additional Height Zone A.

Properties on Pacific Avenue and within 150 feet of Pacific Avenue between Water and Lincoln Streets, and within 200 feet of Pacific Avenue between Lincoln and Laurel Streets (as measured perpendicular from the property line along Pacific Avenue), certain properties located on the east side of Cedar Street between Mission Street and Ocean Alley, and the west side of Front Street between Cathcart and Laurel Streets shall be considered within the “Additional Height Zone A”, within which additional height above the 55 foot Base Height limit may be requested for buildings meeting certain criteria (See Figure A-1: Downtown Plan Heights). The intent of the Additional Height Zone A is to preserve the overall character of the existing development pattern, while allowing a discretionary intensification of use and increased height to maintain a compact urban core. For eligible development projects that overlap the Base Height and Additional Height Zone boundary, all portions of the project exceeding the 55 foot base height shall be located within to the Additional Height Zone as shown in Figure A-1.

- a. Eligible Development Projects. The granting of building height above the 55 foot Base Height limit is discretionary and requires a Design Permit with the recommendation of the Director of Planning to the City Council, which must approve the additional height. To achieve approval, the applicant must demonstrate that the proposed project meets the criteria described below. Applicants for development within the Additional Height Zone A may request additional height as indicated below, if one of the following conditions is met:
 - i. The aggregate parcel size is greater than 15,000 square feet, which may include land not located within the Additional Height Zone;
 - ii. The frontage along Pacific Avenue is greater than 150 feet, or at least 100 feet with 150 feet of frontage along an east-west street;
 - iii. The parcel is located between adjacent structures of four or more floors in height; or
 - iv. The project qualifies for a density bonus as allowed under either State law or City adopted density bonus ordinance.
- b. Additional Height Criteria for Project Approval. The development project shall be found consistent with the following overarching City objectives:
 - i. The additional height will help to achieve the First Principles of the Downtown

- Plan (e.g. form, housing, accessibility and open space).
- ii. The additional height will contribute to an improved social and economic environment by including new housing.
 - iii. The form of the development promotes the appearance of a grouping of buildings rather than large, monolithic building masses.
 - iv. The development receiving additional height will physically and/or financially contribute its fair share (through an Improvement District, Development Agreement or similar mechanisms) to the implementation of internal pedestrian connections between Pacific Avenue and Front Street.
 - v. The additional height will help to meaningfully achieve one or more of the following key community objectives, including but not limited to: Affordable Housing, Day Care Center, exceed Green Building minimums, Incubator Space for Small Business, Public Access Easements, Public Right-of-way Improvements, Publicly Accessible Open Space, Structured or Shared Parking, and Transportation Demand Management concepts.
- c. Zone A Maximum Height and Floors. The buildings shall conform to the adopted building codes in effect at the time of building permit application to achieve the following height limits.
- i. For development projects on aggregated parcels between 15,000 square feet and 50,000 square feet, the maximum height shall be 75 feet and the maximum number of floors shall be 5 floors above the required ground floor commercial use.
 - ii. For development projects on aggregated parcels larger than 50,000 square feet, the maximum height shall be 85 feet and the maximum number of floors shall be 6 floors above the required ground floor commercial use.
 - iii. Uninhabitable mechanical penthouses will be permitted to project 5 feet above the approved additional height of building, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the building, unless architecturally integrated into the building façade design.
 - iv. Architectural features at prominent gateway corners may exceed the maximum heights above when required findings are made.
- d. Performance Criteria. The following criteria are intended to promote the appearance of multiple buildings of varying heights, and to avoid the development of monolithic buildings:
- i. Maximum Height and Footprints. For sites which are eligible for additional height, the footprint of portions of the building at or below 55 feet shall be at least 40% of the total site area; portions of the building footprint above 55 feet to a height of 75 feet may comprise up to 60% of the site area. For assembled sites greater than 50,000 square feet in area, buildings may achieve an 85-foot height for up to 20% of the total site area. (See Figure H-1)
 - ii. Architectural Features. Taller building masses shall be located on portions of the site that are adjacent to street corners or in areas that will result in minimal shading of adjacent streets and sidewalks.
 - iii. Pacific Avenue Building Length. Along Pacific Avenue, portions of buildings that exceed the maximum base height of 55 feet may occupy up to 55% of the length of the property line along the street or 200 feet, whichever is less. Any

additional height above the base height must be set back from the building wall by at least 15 feet. (See Figures H-2 and H-4)

- iv. Front Street Building Length. Along Front Street, portions of buildings that exceed the maximum base height of 55 feet may occupy up to 60% of the length of the property line along the street or 180 feet, whichever is less. Any additional height above the base height must be set back from the building wall by at least 15 feet. (See Figure H-3)



Figure H-1: Distribution percentage of additional height for sites 15,000–50,000 sq. ft.

Distribution percentage of additional height for sites larger than 50,000 sq. ft.

- v. Laurel, Cathcart and Soquel Building Lengths. Along Laurel Street, Cathcart Street and Soquel Avenue, portions of buildings that exceed the maximum base height of 55 feet may occupy up to 60% of the length of the property line or 150 feet, whichever is less. Any additional height above the base height must be set back from the building wall by at least 15 feet. (See Figure H-2)
- vi. Maple Street Stepbacks. Along the Maple Street extension, the building frontage shall step back by 10 feet above a height of 50 feet; In addition to the ‘build to’ line The Maple Street building face shall incorporate at least one recessed break, open to the sky, no less than 25 feet wide and no less than 10 feet in depth from Maple Street . (See Figure H-3)

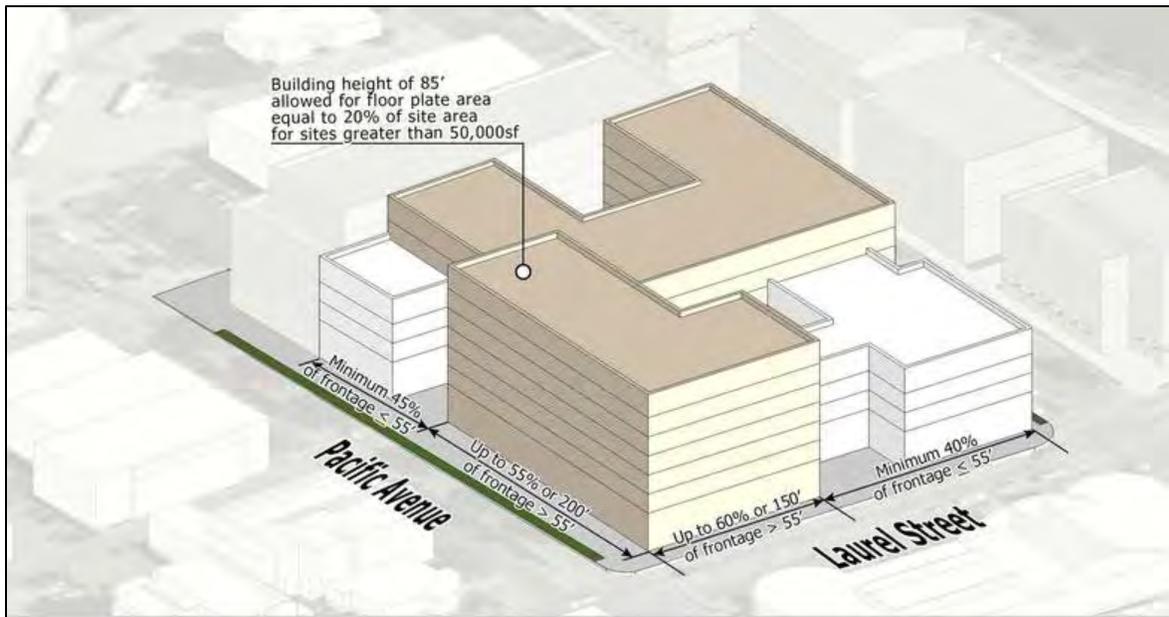


Figure H-2: Example of possible distribution of frontage heights along Pacific Avenue and Laurel Street.

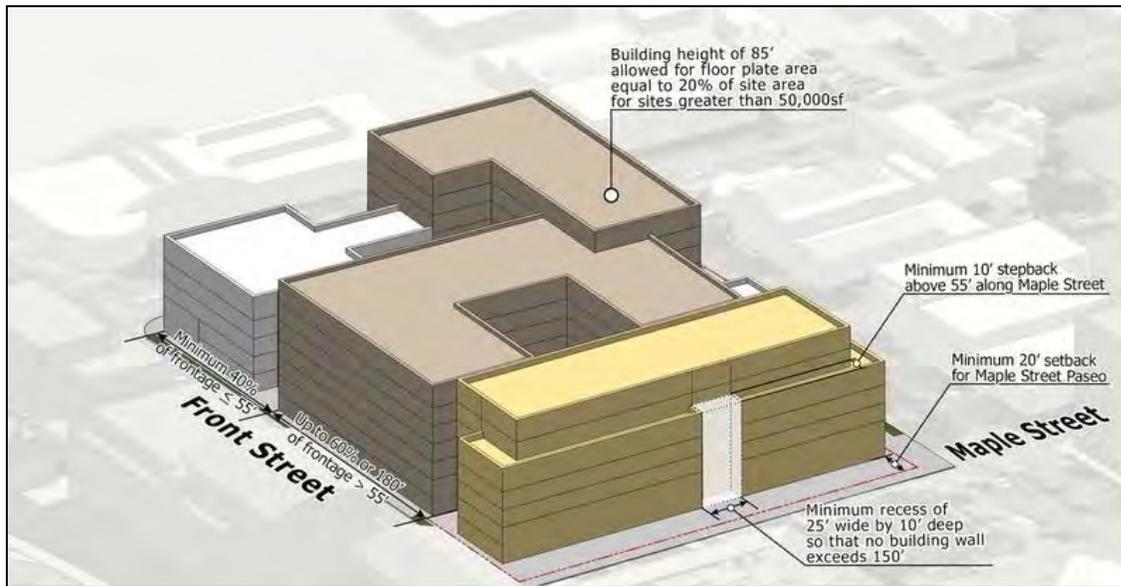


Figure H-3: Example of possible distribution of frontage heights along Front Street and the Maple Street Paseo.

- vii. Building Recessed Breaks. Any building mass that exceeds the maximum base height of 55 feet must establish a separation or break that is open to the sky, measuring at least 25 feet along the streetfront property line, with a depth no less than 15 feet as measured perpendicular from the streetfront property line. For

buildings along Maple Street, the recessed break shall be a minimum of 10 feet in depth. (See Figures H-3 and H-4)

- (1) The recessed breaks must provide a clear visual break between building volumes, but at the same time contribute to a positive streetscape environment.
- (2) The recessed spaces shall be open to the sky above the ground level. A light-weight sheltering structure, distinct from the architecture of the principal building (e.g., steel and glass trellis, awning, canopy, or single-level storefront) may be incorporated within the recessed space to provide activity along the street and protection to the ground level activity. This structure may encroach into the public right-of-way by at least 1 foot and no more than 2 feet and shall extend horizontally on either side of the recessed space by two feet to interlock with the principal building. The structure may include sliding doors or gates that can be secured at night, provided that they are accessible and visible during daytime business hours. (See Figure H-5)
- (3) These recessed spaces along the streetfront shall be considered as an opportunity for creative solutions that enhance the streetscape environment. They must be designed and programmed to be purposeful and meaningful places that support positive activity and preclude anti-social behavior. They could include building entries, cafes or retail extension areas. Courtyards and paseos are particularly encouraged as a way of separating building volumes and in creating unique public spaces that connect to Pacific Avenue. The recessed spaces may be gated. (See Figure H-5)

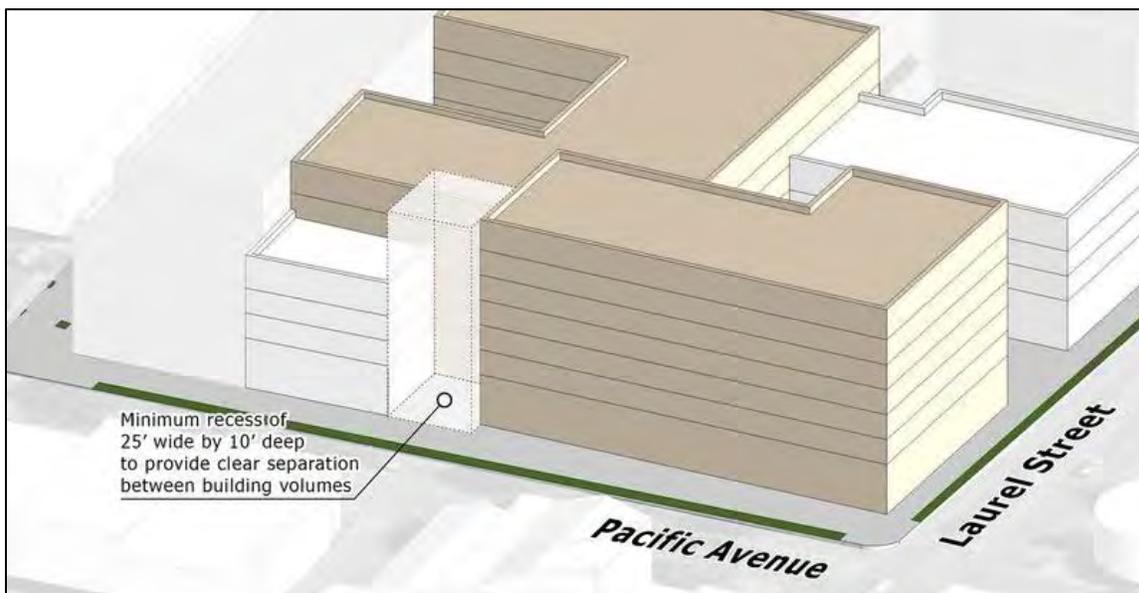


Figure H-4: Example of horizontal massing variation and recessed break in building.

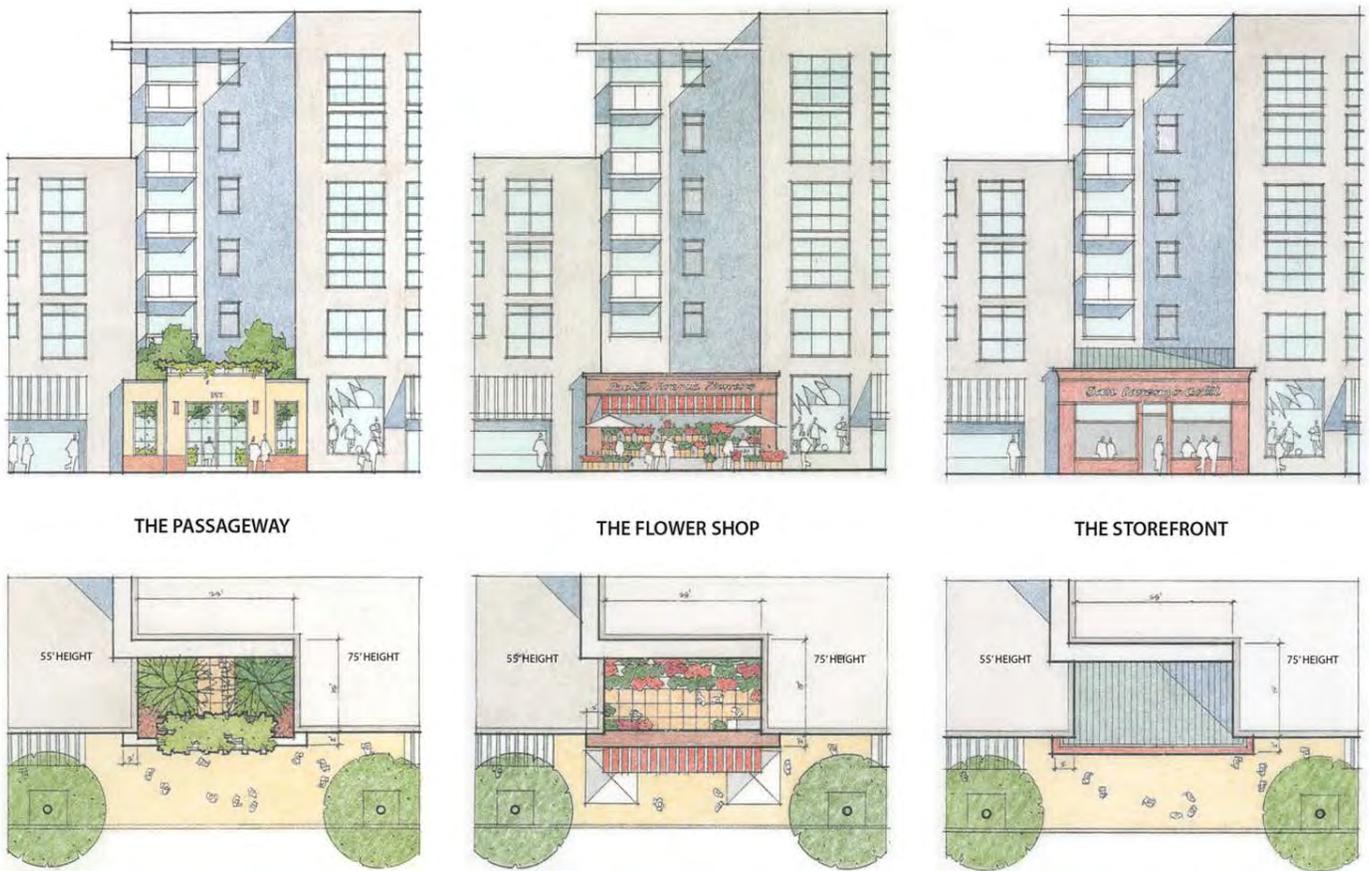


Figure H-5: Recessed spaces along the streetfront must provide a clear visual break between building volumes, while creating a positive streetscape environment. Three examples of potential treatments.

- ix. Two-Story Variation. To establish the appearance of a distinct grouping of buildings, a minimum two-story variation shall be provided between building masses along each of the street fronts. (See Figure H-6)



Figure H-6: Example of vertical massing variation.

- e. Application Requirements. The following materials shall be submitted with all applications for proposed buildings taller than 55 feet.
 - i. Visual Analysis. A detailed visual analysis of the proposed buildings to determine the visual impact of the development shall be submitted. The visual impact analysis must consider the views from key locations within the City and the views from Pacific Avenue and from the east-west streets.
 - ii. Program Statement. A Program Statement shall be submitted indicating details of public amenities to be included in the project. The Program Statement shall specify the participation either through funding and/or land contribution, construction, and/or maintenance of the Maple Street paseo or lane. The Program Statement shall include the private funding mechanism for on-going management and maintenance of the exterior common areas, including public and private spaces along the Maple Street paseo or lane between Pacific Avenue and Front Street. The Program Statement shall specify the method of participation in the City's affordable housing program, if applicable. The Program Statement items will be the basis of conditions of project approval.

2. Additional Height Zone B.

The Additional Height Zone B includes properties located on the east side of Front Street between Soquel Avenue and Laurel Street.

- a. Eligible Development Projects. The granting of building height above the 50-foot Base Height limit is discretionary and requires a Design Permit with the recommendation of the Director of Planning to the City Council, which must approve the additional height. To achieve approval, the applicant must demonstrate that the proposed project meets the criteria described below. Applicants for development within the Additional Height Zone B may request additional height as indicated below if one of the following conditions is met:
 - i. The aggregate parcel size is greater than 15,000 square feet;
 - ii. The frontage along Front Street is greater than 100 feet;
 - iii. The parcel is located between adjacent structures of three or more floors in height;
or
 - iv. The project qualifies for a density bonus as allowed under either State law or City adopted density bonus ordinance.
- b. Additional Height Criteria for Project Approval. The development project shall be found consistent with the following overarching City objectives:
 - i. The additional height will help to achieve the First Principles of the Downtown Plan (e.g. form, scale, housing, accessibility and open space);
 - ii. The additional height will contribute to an improved social and economic environment by including a concentration of new housing;
 - iii. The form of the development promotes the appearance of a grouping of buildings rather than large monolithic building masses;

- iv. The development receiving additional height will physically and/or financially contribute its fair share (through an Improvement District, Development Agreement or similar mechanisms) to the implementation of internal pedestrian connections between Front Street and the Riverwalk;
 - v. The additional height will help to meaningfully achieve one or more of the following key community objectives, including but not limited to: Affordable Housing, Day Care Center, exceed Green Building minimums, Incubator Space for Small Business, Public Access Easements, Public Right-of-way Improvements, Publicly Accessible Open Space, Structured or Shared Parking, and Transportation Demand Management concepts.
 - vi. Clear demonstration of the public benefit relating to two principal objectives: high quality public access between Front Street and the river, and the appropriate treatment of the riverfront edge along the Riverwalk.
- c. Zone B Maximum Height and Floors. The buildings shall conform to the adopted building codes in effect at the time of building permit application to achieve the following height limits.
- i. For development projects on aggregated parcels larger than 15,000 square feet, the maximum height shall be 70 feet and the maximum number of floors shall be 5 floors above the required ground floor commercial use.
 - ii. Uninhabitable mechanical penthouses will be permitted to project 5 feet above the approved additional height of building, provided that such penthouses are set back a minimum of 15 feet from any exposed face of the building, unless architecturally integrated into the building façade.
 - iii. Uninhabitable architectural features at prominent gateway corners may exceed the maximum heights above for a total of no more than 15 percent of the building footprint.
- d. Performance Criteria. In addition to meeting the Front Street/Riverfront Corridor Development Standards and Design Guidelines, the project shall meet the following criteria, which are intended to promote the appearance of multiple buildings of varying heights, and to avoid the development of monolithic buildings:
- i. Building Recessed Breaks. In order to break down the mass of buildings along Front Street and to promote the appearance of multiple buildings, require any portion of the building mass that exceeds the maximum base height of 50 feet to establish a separation or break that is open to the sky, measuring at least 15 feet along the streetfront property line, with a depth no less than 10 feet as measured perpendicular from the streetfront property line. (See Figures H-5 and H-7)

The recessed breaks must provide a clear separation between building volumes, but at the same time contribute to a positive streetscape environment. The recessed space should be open to the sky above the ground level. A light-weight sheltering structure, distinct from the architecture of the principal building (e.g., steel and glass trellis, awning, canopy, or single-level storefront) may be incorporated within the recessed space to provide activity along the street and protection to the ground level activity. This structure may encroach into the setback zone by up to two feet and should extend horizontally on either side of the recessed space by at least 1

foot, but not more than 2 feet to interlock with the principal building. The structure may include sliding doors or gates that can be secured at night, provided that they are accessible and visible during daytime business hours.

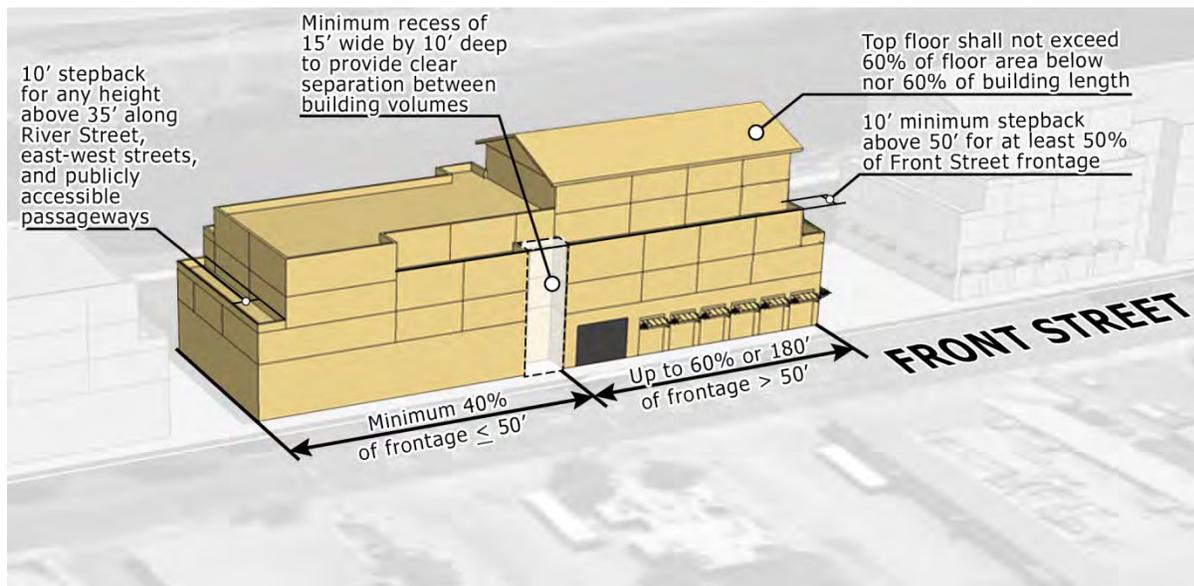


Figure H-7: Example of distribution of frontage heights and horizontal massing variation along Front Street.

- ii. Skyline Architectural Variation. To promote skyline variation, the top floor of any building shall not exceed 60% of the floor area below or 60% of the building length as measured along Front Street or the Riverwalk. Variation to the 60% floor area standard can be considered for projects that incorporate publicly accessible pedestrian connections to the Riverwalk.
 - iii. Integrated Rooftop Design. Rooftops shall be fully designed and creatively integrated into the function of the building. Rooftops provide opportunities including, but not limited to, usable residential or commercial open spaces, community gardens, rainwater retention facilities, green-roof landscaping, solar panel facilities as shade structures, building mechanical equipment and other uses. These spaces shall be thoughtfully and creatively designed as part of the initial project application.
- e. Application Requirements. The following materials shall be submitted with all applications for proposed buildings taller than 50 feet.
- i. Visual Analysis. A detailed visual analysis of the proposed building including three-dimensional perspectives to determine the visual impact of the development shall be submitted. The visual impact analysis must consider the views from key locations within the City, the views from Front Street and from the Soquel and Laurel bridges and the levee opposite the project site from a pedestrian level view.
 - ii. Roof Design Plan. A detailed and fully integrated roof design plan that includes details of open space uses, landscaping, solar facilities, drainage, and mechanical equipment.

- iii. Grading and Landscape Plan. A comprehensive grading and landscape plan for the filled area of the river levee.
- iv. Passageway Plan. For projects adjacent to the proposed publicly accessible passageways between Front Street and the Riverwalk (in the proximity of the extensions of Cathcart Street, Maple Street and Elm Street), a scaled plan shall be provided with adequate details, section drawings and other drawings that describe how the project will achieve high quality public access to the riverfront from Front Street and how the riverfront edge will be designed to reinforce the amenity value and safety of the Riverwalk. Drawings shall describe the relationship of publicly accessible spaces with adjacent proposed development activities, grading, landscape and paving materials and treatments.
- iii. Program Statement. A Program Statement shall be submitted indicating details of public amenities to be included in the project. The Program Statement shall specify the private funding mechanism for on-going management and maintenance of the exterior common areas, including public and private spaces between the Riverwalk and the development and any adjacent paseo or passageway from Front Street to the Riverwalk. The Program Statement shall specify the method of participation in the City's affordable housing program, if applicable.

I. ALL CENTRAL BUSINESS DISTRICTS STOREFRONT STANDARDS AND GUIDELINES

The intention of the storefront guidelines is to promote variety and individuality along the street while complementing the scale and design character of the streetscape, reinforce the pedestrian environment, and allow for the landscape character of the downtown to extend into the private realm. The storefront guidelines encourage both setbacks from, and encroachments into, the public right-of-way, where such measures will serve to enrich the visual diversity and life of the street.

1. Storefront Projections and Setbacks. In addition to landscape elements, storefronts are encouraged to introduce architectural variation at the pedestrian level in order to create a diverse building edge between the public and private realms. More specifically:
 - a. Bay Windows. Storefront bay windows may project up to 12 inches into the public right-of-way, if such windows maintain glazing on all projecting faces, and if the windows do not exceed 15 feet in width. A clearance of at least 12 inches between the bottom of the projecting bay and the sidewalk is recommended.
 - b. Porticos. Entry porticos may project up to 12 inches into the public right-of-way.
 - c. Entry Setbacks. Entry setbacks may be permitted up to 48 inches from the property line.
 - d. Marquis and Canopies. Permanent marquis structures or canopies that project from the buildings are encouraged, but shall be confined to entry lobbies leading to upper-level residential or office uses, or to public-oriented passages that provide for pedestrian access through the block. They shall be designed as an attractive and integral part of the overall facade design, shall project no more than 6 feet from the face of the building, take up no more than 10 feet of frontage, and maintain a clearance of at least 8 feet above the sidewalk surface. No column supports shall be permitted within the public right-of-way.
 - e. Projecting Signs. Projecting signs are encouraged on storefronts consistent with the sign regulations for the Central Business District in the Zoning Code.
 - f. Awnings. Awnings overhanging the sidewalk are also encouraged to further enhance the life and variety of the street. The preferred material for awnings is canvas, but other materials will be considered if they are light in character and can be architecturally integrated with the building facade. Awnings shall be maintained at least 8 feet above the sidewalk surface, and shall be carefully designed to complement the overall facade design. Under standard conditions (e.g., not within retail extension zones), storefront awnings shall not project more than 6 feet into the public right-of-way, and generally shall not be higher than 14 feet above the sidewalk. Awnings above 14 feet in height shall not project more than 3 feet into the public right-of-way.
2. Storefront Variation and Craftsmanship. The visual experience of moving along the street shall be enjoyable and varied. Changes in treatment (e.g., the use of porticos, setbacks, architectural elements, landscape treatments, etc.), within the standards and guidelines are

outlined above and below. Particular attention shall be given to the craftsmanship and detailing within the pedestrian's range of touch and view. The use of special materials (e.g., stone, brass, bronze, terra cotta, ceramic, wood) for storefront ornamentation is strongly encouraged, particularly around windows and entries and at the base of building walls.

3. Retractable Storefronts. Where appropriate, the use of retractable storefronts is encouraged to create a direct relationship between sidewalk activity and the commercial establishment; this treatment is particularly encouraged for restaurants where outdoor seating is proposed, or for retail establishments that include an extension area within the public right-of-way.

4. Storefront Landscape Elements. The introduction of plant materials on the building face and storefront is strongly encouraged to reinforce and extend the landscape identity of Pacific Avenue and the downtown. More specifically:

- a. Storefront Setbacks. Storefront setbacks of up to 18 inches may be permitted for the introduction of low planters of up to 12 inches in height below storefront windows.
- b. Sidewalk Planting. The sidewalk paving along Pacific Avenue may be designed to allow for planting beds at sidewalk level to encroach into the public right-of-way up to 18 inches. Such planting beds shall include durable curbing (up to 3 inches in height) to provide a clear visual separation.
- c. Planter and Window Boxes. Planter and window boxes may be allowed to project into the public right-of-way up to 18 inches, with a maximum height of 24 inches above the sidewalk level. It is recommended that window boxes maintain a clearance of 12 inches above the sidewalk, not including decorative support braces. Window boxes shall be designed as a compatible and integral extension of the storefront window casing; materials shall be durable and of high quality. Planter and window boxes shall also provide for internal drainage connecting to roof drain lines.
- d. Hanging Flower Pots. Hanging flower pots may project into the public right-of-way up to 12 inches and shall have a minimum 8-foot clearance within the public right-of-way unless hanging directly above planter boxes.
- e. Trellises. Trellis structures supporting climbing vines are encouraged against blank building walls, both at the storefront and upper levels. At the storefront level, trellises shall be allowed to project into the public right-of-way up to 6 inches; above 8 feet in height, overhanging arbor or trellis structures shall be allowed to project up to 18 inches into the right-of-way.
- f. Plant Types. Plant materials within planters, planting beds, flower boxes and flower pots shall provide color and variety throughout the year. The use of non-flowering shrubs or plant materials is discouraged, unless they are part of a planned pattern of landscape to that creates interest on the street.

J. ALL CENTRAL BUSINESS DISTRICTS OTHER DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

1. Design Variation. The Downtown Plan contains development standards, which when implemented, are intended to achieve the First Principles of the Plan and public objectives for the downtown. While every effort has been made to thoughtfully produce clear and concise standards for the community, the Plan can never address or respond to all development scenarios and circumstances. Therefore, projects that closely conform to the development standards, but with slight variations may be considered upon demonstration that the resulting project will better achieve stated Plan and community objectives. Such variations shall be minor in nature and must receive a positive recommendation from the Planning Director, with final approval by the City Council.
2. Storefront Setbacks. Minor ground-level storefront setbacks are permitted within the provisions of the storefront and building façade standards and guidelines discussed below. Recessed storefronts up to six feet in depth and twenty-five feet in length may occur where a designated outdoor use, such as an outdoor café, is an integral part of the retail business.
3. Roof Top Mechanical Equipment. The design of roof top mechanical equipment and related structures is an important aesthetic consideration when viewing the downtown skyline. The arrangement of roof top equipment, elevator penthouses, mechanical penthouses and enclosures, safety rails, inside faces of parapets, roofing surfaces, architectural elements, and other mechanical or electrical equipment, including telecommunications equipment, shall be designed, installed and painted to be visually unobtrusive and to create a unified, coherent whole. These roof top features shall be incorporated into the building design at the Planning approval stage of the project. Additional visual simulations may be required to demonstrate that the project provides for architecturally interesting and varied skyline views, with specific attention given to integrating these rooftop features into the overall building design.
4. Permanent Projections into the Public Right-of-Way. It is not the intent of the Plan to create a hard edge between the public and private realms. Rather, building facades and storefronts that are varied and that promote activity and interest are encouraged.
5. Retail Extension Zones. Pacific Avenue and some of the east-west streets (e.g., Church Street, Walnut Avenue, Cathcart Street and pedestrian paseo or lane) will include opportunities for the extension of retail and restaurant activities into the public right-of-way. These extension areas will be managed by the City and its designated agent through revocable licenses [See Extension Area requirements in section 24.10 of the Zoning Ordinance]. The following guidelines shall govern the physical design of these extension areas:
 - a. Types of Uses. Designated extension areas shall be confined to uses that add activity and color to the street. Permitted uses shall be limited to outdoor cafes, food kiosks or carts, or the selling of flowers, produce, and newspapers/magazines, unless otherwise approved by the City Council or its designated agent.
 - b. Outdoor Cafes. The extension area for cafes shall project no more than 12 feet from the property line into the public right-of-way, and in no case shall a cafe extension

area result in a public walk way of less than 12 feet. The elevation of the extension area shall be the same as the public sidewalk, and shall meet ADA accessibility standards. No permanent structures will be allowed within the public right-of-way, with the exception of ADA-complaint barriers. If a separation between the cafe and the promenade is desired, this shall be achieved through low planters that could contain colorful flowers or a low hedge not permanently affixed to the sidewalk; the maximum height of such planters (including the planting) shall be no more than four feet. Planters shall consist of high-quality, durable materials of a weight and mass that will discourage theft, vandalism or easy movement. A canvas awning will be permitted to extend over the full depth of the cafe extension area; no columns or supporting poles will be permitted within the public right-of-way. Awnings shall comply with the design and height guidelines prescribed below. The use of removable umbrellas within sidewalk extension areas is also encouraged, provided that seven feet of clearance is provided from the sidewalk. Removable wind screens that are of a transparent material and that are an integral part of the planter will be permitted to extend the seasonal use of the cafe area. Such screens shall not exceed a height of six feet and shall be separated from the awning to provide for air movement.

- c. Retailing Uses. Retailing uses within extension zones shall be limited to the sale of newspapers and magazines, flowers and produce, unless otherwise approved by City Council or its designated agent. Such extension areas shall not exceed 6 feet in depth, unless it is determined that such depth is necessary to achieve the desired pedestrian objectives for the street, and in no case shall an extension area result in a public promenade that is less than 12 feet in depth on Pacific Avenue and no less than 8 feet in depth on Front Street and Laurel Street. Merchandise shall be displayed against the shop front and be oriented toward the street on tables or stands that do not exceed four feet in height. No separation (e.g., planters or low walls) between the merchandise and the street shall be permitted.
- d. Furniture. All furniture (e.g., tables, chairs, retailing stands) shall be durable, well-maintained, and of a high quality, suitable for outdoor use; such furniture shall be light, not heavy or massive in nature, to ensure that it does not visually dominate the street. All furniture shall be approved by City Council or its designated agent.
- e. Design Materials. The design materials and colors used for chairs, tables, display stands, lighting, and other fixtures (including umbrellas and awnings) shall be generally consistent with both the architectural style and colors used on the building facade and the quality of fixtures along Pacific Avenue.
- f. Lighting. Lighting shall be incorporated into the facade of the building and shall complement the style of the building. Lights on buildings shall not be glaring to pedestrians and shall illuminate only the extension area and the activities within. General illumination shall be at 5 foot-candles, with a maximum of 10 foot-candles. Table lamps or candles are encouraged in cafe areas. Wired electrical fixtures will be allowed outside the face of the building, if contained within the semi-permanent barrier allowed for cafe extension areas and if installed by a licensed electrician. A lighting plan must be approved by the City Council or its designated agent.

10. Intersection Treatment. High activity-generating uses are especially encouraged at the Pacific Avenue intersections. Minor corner setbacks in conjunction with storefront entries are also encouraged at these locations.

11. Corner Treatment. Corner parcels are encouraged to incorporate special features such as rounded or cut corners, articulated corner entrances, display windows, corner roof features, etc.

12. "T" Intersections. New development that occurs at the "T" intersections along Pacific Avenue (Cooper-Church-Locust; Soquel-Walnut-Lincoln; Elm-Maple-Pacific) are encouraged to accentuate the unique spatial characteristics of this condition, through corner treatments as described above, and through special facade treatments at the visual terminus of the east-west streets (e.g., towers, distinctive change in fenestration, roof profile, building material, etc.). Buildings located at the "T" intersections are required to prepare a visual impact analysis to determine the visual impact from the east-west street.

13. Ground Level Treatment. Along rear parking lots and service lanes, rear alleys are envisioned as attractive pedestrian places as well as service spaces. Where the back of development is adjacent to a public alley or surface parking lot, the ground level shall be designed to include architectural interest and detail on the rear façade. At a minimum, a usable and operable rear entrance shall be provided and, to the maximum extent practicable, views into the retailing activity shall be provided from the rear of the building.

14. Off-site Parking and Parking Structures. Required residential and commercial parking may be provided off-site, provided that such parking is located within the parking District No. 1. Publicly available parking structures shall conform to height limits of this Plan, but are not required to adhere to a maximum floor-area-ratio limit.

15. Service Access. Parcels adjacent to rear alleys must maintain service access from the rear and provide attractive rear entrances. Trash storage areas shall be internal to the building or completely enclosed and screened from view, as required by City ordinance. Trash or loading areas shall not, to the maximum extent practicable, be located adjacent to Pacific Avenue, North Pacific Avenue, Front Street or Water Street. Required grease trap interceptors shall be maintained within the property. On a conditional basis, the City will consider their location within public alleys or within the street right-of-way, if there is no feasible alternative within the property.

This chapter has not been modified from the original 1991 Downtown Recovery Plan.

Circulation and Parking Plan 5

As the center of the community, the downtown should be easily accessible by a complete range of transportation modes, including automobiles, transit, bicycles and pedestrians. Movement to and through the downtown should be understandable and comfortable, recognizing that a principal public objective is to create a predominantly pedestrian district. The pattern and operation of roadways should direct motorists to parking areas in a way that conveys a feeling of convenience and a clear understanding of the range of activities and destinations along the way. Transit service should function efficiently within the downtown, and provision should be made for future systems including light rail and historic trolleys. Bicycle routes should link the downtown core with outlying neighborhoods and districts, and adequate and secure provision for bicycle parking should be made.

Vehicular Circulation and Access

Vehicular access to downtown Santa Cruz is constrained by the natural landforms of the San Lorenzo River on the east and Mission Hill and Beach Hill on the north and south, respectively. The structure of the roadway system is reflective of these natural conditions, and has resulted in a pattern that is somewhat eccentric and unique. This eccentricity helps to give structure and a sense of place to the downtown; one can be oriented by the relationship with the river, the hills, or one of the many visual termini that occur along the curvilinear system of roadways leading to the downtown.

The following provides a generalized description of traffic movement around and within the downtown and the recommendations proposed by the Recovery Plan. These recommendations have been reviewed by a traffic engineer, and will be refined further as part of the streetscape design effort.

North-South Collector Streets

The north-south street system generally traverses the downtown from Highway 1 on the north to the Beach Area on the south. Principal north-south street systems include the North River-Front Street corridor, Cedar Street, and Center Street, which are all operated as two-way streets and which provide an important distribution function to and around the downtown. The Plan proposes no substantive changes to Cedar or Center Streets, which are recommended to remain as local-serving two-way streets. Minor modifications to the River-Front Street corridor are proposed to improve the flow of traffic and to improve access to the downtown. These include:

- a. The reconfiguration of the intersection of South River and North River Streets to clearly give North River the predominant through-movement. The confusing system of islands at this intersection should be removed in favor of a more straightforward "Y" signalized intersection with a stop sign for northbound traffic on South River Street. The ultimate role and configuration of South River Street should be that of a pedestrian-oriented local access roadway leading to parking facilities, future mixed-use development, and riverfront amenities.

- b. The reconfiguration of the River and Front Street intersection to clearly give the predominant through-movement to traffic along the River-Front corridor, and to avoid conflicts at the Cooper-Front Street intersection and with proposed parking garage driveways to the St. George Hotel and County Bank developments. Front Street between River and Water Streets should be operated as a one-way southbound street, with a "T" signalized intersection at River Street with a stop sign. (Note: This configuration will preclude the potential for a one-way couplet on Front and River Streets; it could also require the removal of on-street parking on River Street between South River and Front Streets, which is not viewed as a problem because of the surplus of adjacent off-street surface and structured parking.) To facilitate northbound bicycle traffic, bike lanes should be striped on both sides of River Street from Water Street to Front Street.

- c. The restriping of Front Street to provide for three to four travel lanes north of Soquel and two travel lanes south of Soquel. The need for expanded capacity north of Soquel will reduce opportunities for on-street parking and bike lanes in this area; south of Soquel, the street can accommodate curbside parking and bike lanes. The Plan recommends that Front Street be designed in a way that will allow for operational flexibility in the future.

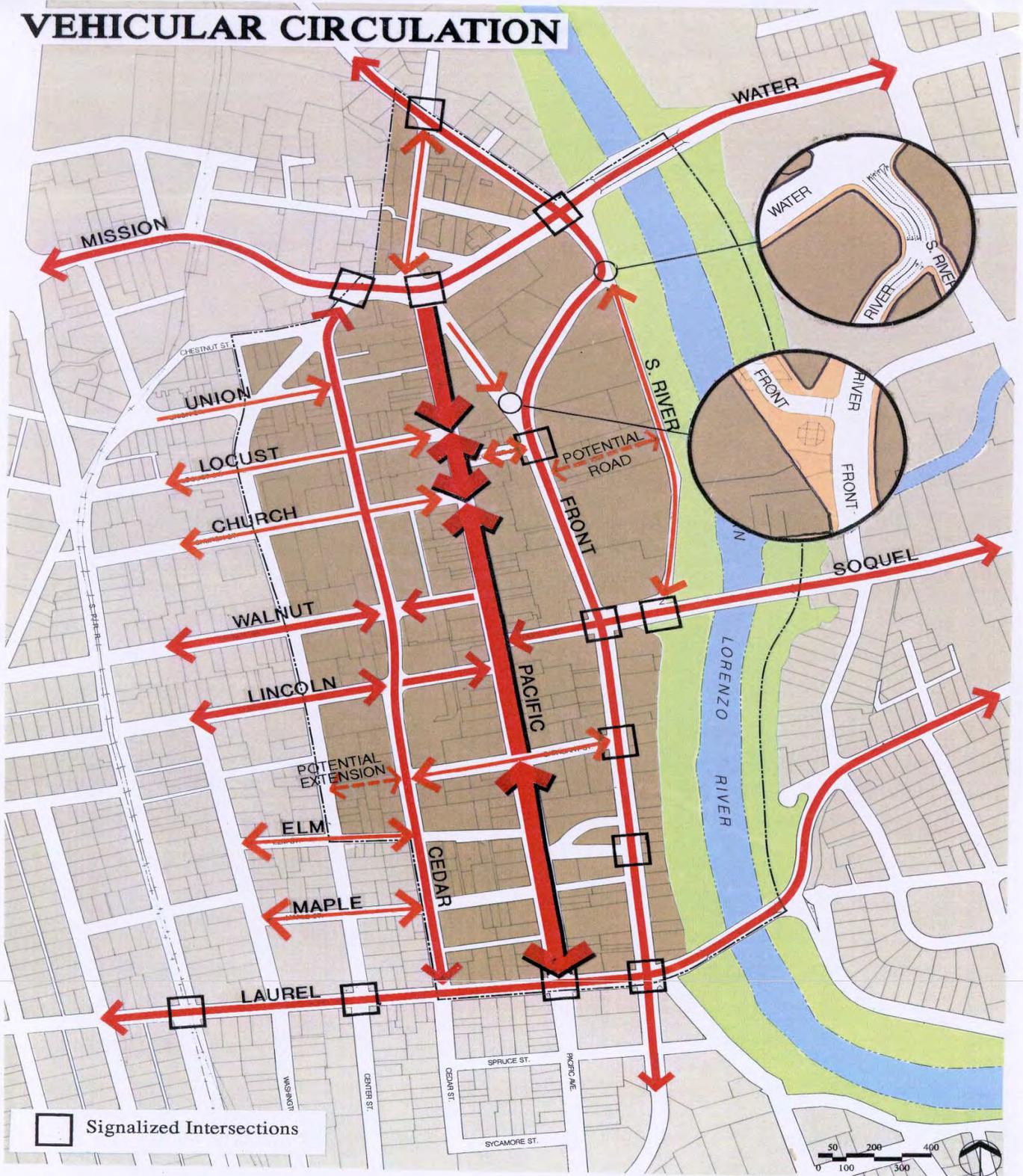
Beach Access

The majority of traffic coming to and from the beach is directed along the Ocean Street corridor to the Riverside Bridge. Secondly, beach traffic can circulate through the downtown along the River-Front Street corridor, either from Highway 1 on the north or from any of the east-west river crossings connecting to Ocean Avenue (Water Street, Soquel Avenue, Broadway and Laurel Streets). To a lesser extent, Center and Cedar Streets, which border the West End residential neighborhood, are also used for beach access and egress. No significant changes to overall beach access are proposed. However, the traffic and streetscape improvements suggested for the Front-River Street corridor will enhance the role of Front Street as the main downtown link to the beach.

East-West Crosstown Streets

Principal east-west movement to and through the downtown occurs at the three river crossings including: the Water-Mission Street corridor along the northern edge of the downtown; the Soquel-Walnut-Lincoln corridor through its heart; and the Broadway-Laurel Street corridor at the southern edge of the downtown. These streets are critical to crosstown access as well as access to the downtown itself. No substantive changes are proposed to any of these roadway systems, except for the addition of striped bike lanes on Soquel Avenue from Front to Pacific and on Lincoln Street and Walnut Avenue from Pacific to Cedar.

VEHICULAR CIRCULATION



East-West Local Streets

Cooper, Church and Locust Streets provide local east-west access to, and across, the northern portion of the downtown core; similarly, Cathcart Street provides two-way access between Cedar and Front Street. These local streets provide access to Pacific Avenue from the major north-south collectors; they also provide residents in the West End neighborhoods with convenient access to shops and services along Pacific Avenue as well as the supermarket and drug store along Front Street. To maintain this convenience, the Plan proposes that all of these streets be maintained as two-way streets. The following extensions of the local east-west street system are recommended to improve local access:

- a. In conjunction with future redevelopment that may occur on the Long's-Zanotto's property, a two-way roadway along the northern edge of the property through the existing parking lot could be provided to connect Front Street with South River Street. This linkage would also accommodate generous pedestrian circulation and bike access to the river and to a potentially enlarged pedestrian bridge that could be constructed across the river to San Lorenzo Park in the future.
- b. In conjunction with future development that may occur on the City-leased parking lot on the west side of Cedar Street between Lincoln and Cathcart Street, consideration should be given to the extension of Cathcart Street as a public way (not necessarily as a street) west to Center Street through existing private parcels.

Pacific Avenue

As the principal spine of downtown commercial and public activity, Pacific Avenue is the major destination of many people coming to the downtown. Unfortunately, access to Pacific Avenue is currently disorienting; this is particularly true for motorists arriving from the north, who are forced to circulate around the downtown on Front or Cedar Streets to reach the one-way northbound Pacific Avenue. In light of the difficult and circuitous turning movements, and the lack of strong visual cues (e.g., landmarks, signage), this movement is confusing, particularly to the infrequent visitor to the downtown. Traffic operations for Pacific Avenue are proposed as follows:

- a. Allow automobiles to enter Pacific Avenue from Water Street and Cathcart Street to create attractive and recognizable "gateways" from both the north and the south, and in order to maximize convenient access to the downtown.
- b. Design Pacific Avenue to allow for maximum operational flexibility in the future, within constraints related to the creation of an active pedestrian environment and traffic operations. More specifically:
 - The segment of Pacific Avenue between Water and Locust Streets will be designed as a one-way southbound street, approximately 20 feet in width.
 - In order to accommodate local cross-town traffic as well as Pacific Avenue traffic, the segment of Pacific Avenue between Locust and Church Streets

will be designed with a curb-to-curb dimension of approximately 30 feet, to operate as a one-way southbound or northbound street, or as a two-way street with curbside loading on the west side of the street.

- The segment of the street between Church Street and Walnut Avenue will be designed with a curb-to-curb dimension of 34 feet to allow for one-way south or northbound traffic with parking on both sides, or two-way traffic with parking on one side of the street.
 - The segment of the street from Walnut Avenue to Lincoln Street will be designed with a curb-to-curb dimension of approximately 24 feet, to operate as a one-way northbound street or as a two-way street. Because of conflicts with east-west traffic on the Soquel-Walnut-Lincoln corridor, the preferred operation of this segment is one-way northbound.
 - The segment of the street from Lincoln to Cathcart Street will be generally designed with a curb-to-curb dimension of approximately 40 feet to allow for one-way northbound or two-way traffic, with curbside parking on both sides of the street.
 - The segment of the street from Cathcart to Laurel Street will be designed as a two-way street with curbside parking on both sides to take advantage of the wider right-of-way, to allow for efficient north-south movement of transit vehicles, and to provide convenient access to the local-serving retail establishments.
- c. North Pacific Avenue between River and Water Streets will remain as a two-way street.
- d. The operation of Pacific Avenue will permit periodic closure of street segments for special events. Segments that can be closed without significantly affecting downtown or crosstown circulation include the segments from: Water to Locust; Church to Walnut; and Lincoln to Cathcart Streets. The remainder of Pacific Avenue, Cooper Street, Cathcart Street, and Front Street between Water and River Streets can also be closed for special events (e.g., downtown festivals and parades), but east-west traffic will need to be rerouted around the downtown.
- e. All intersections along Pacific Avenue will be controlled by stop signs; signals are not recommended.

While it is recommended that flexibility of operations be designed into Pacific Avenue, the initial circulation concept calls for: a one-way southbound street between Water and Locust; a two-way segment between Locust and Church; one-way northbound operation between Cathcart and Church; and two-way operations south of Cathcart. North Pacific Avenue will remain as a two-way street. Concern has been expressed that the two-way portion between Locust and Church Streets will cause congestion and impact the pedestrian environment. The Plan recommends that this operation be introduced, and if problems occur for the segment of the street, it can revert to a one-way northbound or southbound movement. Concern has also been expressed that the one-way southbound designation of Pacific Avenue from Water Street to Locust Street, coupled with one-way southbound traffic on Front Street from Water Street to River Street, will create difficulties for

northbound bicyclists. The Plan recommends that this area be monitored and other means of providing for northbound cycling be investigated, if problems emerge. In addition, because the implementation of the Plan for Front Street between the Post Office and River Street will not occur in the first phase of the reconstruction of downtown, the Plan recommends that a northbound contra-flow bicycle facility be investigated for this area.

Service Access

All existing rear service lanes will be maintained to encourage off-street servicing of retail and commercial establishments along Pacific Avenue. The extension of existing service alleys or the creation of new lanes will be encouraged as an integral part of redevelopment (e.g., the construction of new parking garages). The design of the service lanes will also promote pedestrian movement and rear access to Pacific Avenue shops as applicable. The use of a consistent paving (e.g., stamped concrete) and street planting treatment on all service lanes would reinforce this objective. Since continuous rear service will not be possible, and since front door loading is becoming increasingly commonplace for modern retailers, the design of Pacific Avenue will also need to accommodate short-term loading by means of "yellow" curbside loading zones. However, this activity should be limited to nonpeak business periods such as the early morning. No loading docks or curb cuts will be allowed along Pacific Avenue or the east-west streets.

Garbage service should be provided from the rear to the maximum extent possible. While all future development is required by city ordinance to provide screened garbage facilities internal to the development, a system of centralized garbage facilities (including recycling stations and compactors) is recommended to avoid existing problems of unsightly exposed garbage bins and dumpsters. Such centralized facilities could be incorporated within public parking facilities or on private properties, and managed locally by the property owners and merchants. Specific recommendations and solutions to existing problems have been identified by the planning team with the individual property owners; further coordination should be undertaken by the Public Works Department with the property owners to establish the mechanisms for implementing these and other proposals.

Parking

Convenient and accessible parking is a key ingredient to a successful retailing district. An adequate combination of convenient short-term parking on the streets and longer-term off-street facilities is essential to the viability of the commercial uses. The Plan proposes no changes to the City's Downtown Parking District, which allows businesses to pay fees in-lieu of on-site parking. This policy is highly effective in a mixed-use downtown environment, where the potential for shared parking is most pronounced. In the evolution of the downtown area, the City has made a conscious decision to provide for off-street surface parking along Front and Cedar Streets to serve Pacific Avenue. This perimeter parking in conjunction with the provisions of the Parking District have created a strong strategy for parking in the downtown.

On-Street Parking

Although limited in quantity, on-street curbside parking is very important in creating the feeling of a convenient and accessible downtown. Curbside parking can also serve to slow down through-traffic, thereby contributing to the pedestrian nature of the downtown. The Plan recommends that on-street parallel parking be maximized along Pacific Avenue between Laurel and Water Streets, and maintained along the east-west streets, Front, Cedar, and Center Streets. Diagonal parking should be avoided, because of the potential for conflicts with bicyclists and other vehicles. Curbside parking should only be removed if essential due to critical needs related to bicycle or vehicular movement, or the need to enlarge the sidewalk to promote pedestrian safety. In such cases, removal of on-street parking should be considered as additional public off-street parking is established, particularly in the period of implementation of the Plan. On Front Street, pedestrian safety and closing gaps in the existing system of bicycle lanes are the first priorities for use of the roadway space gained from shifting curbside parking to public off-street parking.

Off-Street Parking

The City's system of off-street parking facilities include surface lots and two parking structures along Cedar and Front Streets. A third parking structure in excess of 400 spaces is planned for the public lot at Cedar and Locust Streets. The City is currently preparing a detailed parking supply and demand study to determine parking needs and opportunities; the City is also in the process of restructuring its overall fee system for parking in the downtown. While the Recovery Plan defers to the recommendations of these studies, several opportunities are identified for the improvement of off-street parking, and for the creation of a better distribution of parking throughout the downtown. Opportunities include:

- a. The consolidation of properties at the northwestern corner of Soquel and Front Streets to create a contiguous surface parking area, that could ultimately be developed as a multi-level parking garage.
- b. The consolidation of properties at the northwestern corner of Cathcart and Front Streets to create a contiguous surface parking area, that could ultimately be developed as a multi-level parking garage.
- c. The consolidation of private properties south of the Metro Center along Front Street to create surface parking for the South of Cathcart area, which currently has no major off-street parking facilities. This could occur in several stages: the acquisition of the Putney and Perry property for the creation of a small surface lot to allow for the infill development of the surface lot at Pacific Avenue and the Metro Center; followed by the acquisition of one or more parcels (eastern half of Haber Furniture and the Muffler Shop) as resources become available. Ultimately, these properties could accommodate a parking structure.
- d. To further mitigate the shortage of off-street parking facilities in the South of Cathcart area, the Plan identifies the opportunity to consolidate private parking lots

west of Pacific Avenue between Maple and Laurel Streets to create more efficient and contiguous parking that could serve multiple rather than singular uses. (e.g., Planned Parenthood, Cedar Square, parking behind Pacific Avenue and in conjunction with single and multi-family housing projects). This project would require cooperation between the Parking District and individual property owners.

- e. The construction of a parking structure on the Cedar Street public parking lot between Cathcart and Lincoln Streets, in conjunction with the redevelopment of the Ford's Department Store/Plaza Books site as a major anchor.

While the Plan identifies these opportunities, it must be acknowledged that parking structures are expensive and that their ultimate realization will depend upon available resources and the Parking District's establishment of a financially feasible approach for their implementation.

Parking structures are, by nature, difficult to fit into a fine-grained urban fabric like downtown Santa Cruz. Care will need to be taken to ensure that their design is appropriately scaled and compatible to the context, and that they are safe and comfortable for pedestrians to use. All structures shall comply with the development standards and guidelines described in the previous chapter of this document. Ample and secure bicycle parking should be an integral part of all parking structures and surface parking.

Transit

With much of California and the country facing deteriorating air quality, increased traffic congestion, and depleting energy resources, enhanced public transit has become a critical objective. The voters of California recognized this in June of 1990 with the passage of two key rail bonds, and the State is now developing an expanded system of inter-city rail. As more public funds become available, municipalities are improving and expanding their transit systems to attract patrons and to reduce vehicle trips.

Inter-City/Light Rail

Although Santa Cruz is not situated within the proposed inter-city rail corridor that will link San Jose and the Bay Area with Sacramento, it is linked by rail to the nearby cities of Capitola and Watsonville, which are connected to San Jose. As commuter traffic congestion increases on Highway 1, the potential for light rail service along this rail corridor will become more attractive. Provision for a link to the downtown from the existing Southern Pacific right-of-way should be pursued; two potential alignments are identified for further study:

- a. The extension of the Southern Pacific right-of-way north and east through the Prolo Chevrolet property in the South of Laurel area to Pacific Avenue, to create a loop system north along Pacific Avenue to Church Street and south along Cedar Street to Cathcart, where it would rejoin Pacific.

- b. As an alternative to looping a light rail line system south on Cedar Street, consideration could also be given to extending the line west along Church Street to Chestnut Street and the existing railroad right-of-way.

The design of Pacific Avenue should maintain future opportunities to introduce light rail within the roadway right-of-way.

Downtown-Beach Link

A looped light rail line through the downtown could also accommodate historic or recreational trolleys offering a strong link to the Beach. Vehicles of this type would be an attractive alternative to conventional (and hermetically sealed) city buses, and would significantly enhance cross patronage between the Beach and the downtown. In advance of constructing a light rail or recreational rail line, a rubber-tire trolley that could operate on the existing roadways is recommended as a beach-downtown link, connecting key parking resources and destinations in both areas. The recommended route for such a trolley would commence at the Metro Center, proceed north along Pacific Avenue to Church Street, west to Cedar Street, south to Cathcart, east to Pacific, south to the Washington extension to the Wharf, east along Beach to Riverside Avenue, north to Second Street, west to Front Street, and north on Pacific Avenue to the Metro Center. Headways for such a system should be no more than 15 minutes to promote convenience and to maximize ridership.

City Bus System

The downtown is served by approximately 20 bus routes that radiate out from the Metro Center to all parts of the city and to the University. Buses must be able to continue to circulate north and south on Pacific Avenue between Cathcart and Laurel Streets, and along Front Street. No city buses will travel on Pacific Avenue north of Cathcart Street.

Inter-City Bus

Currently, Greyhound Bus Lines operate from a facility immediately north of the Metro Center. This interface is important and should be maintained either in the existing facility, or as part of a consolidated facility within the Metro Center.

Bicycle Movement

As a university town, the use of bicycles in Santa Cruz is a significant mode of travel, and one that needs to be accommodated in the downtown. A system of exclusive bikeways, dedicated bike lanes, and posted bike routes should be maintained and enhanced to allow bicyclists convenient and safe access to the downtown. Much of this system is already in place: the levees along the San Lorenzo River offer an exclusive bikeway linking the adjacent neighborhoods with the downtown; dedicated bike lanes radiate out from the downtown along Laurel Street on the south, Soquel Avenue on the

east, Walnut Avenue on the west, and Water, River, and Mission Streets on the north. This system provides good bike access to the downtown. Within the downtown area, dedicated bike lanes exist along Cedar Street and portions of Front Street.

The nature of the downtown as a pedestrian-intensive district with slow-moving traffic makes it highly hospitable to bicyclists. The Plan calls for the principal downtown streets to be designated minimally as Class 3 bike routes. This would add Cooper, Church, and Locust Streets to the system of posted bike routes in the downtown, which includes Pacific Avenue and the non-dedicated portions of Front Street. Motorists should be reminded that cyclists have the use of the travel lane. This message should be included in any signage at entry points to the downtown core; a bicycle symbol could also be stenciled in the roadway. Traffic signals at intersections surrounding the core should be modified to include bike-sensitive detectors, located and identified as to where cyclists can trigger them. Push buttons are less preferable, and should be installed only where cyclists can use them without hazard.

In general, new dedicated bike lanes are not recommended for the downtown core between Front and Cedar Streets because of the significant demands for pedestrian spaces and for convenient on-street parking, and because Pacific Avenue and the downtown core are envisioned more as a destination for bicyclists than a through-route. However, the Plan calls for Cathcart, Soquel, Lincoln, and Walnut Avenues to have dedicated bike lanes installed to facilitate east-west bike movement. Also, the Plan recommends extending bike lanes along River Street from Water Street to Front Street and eliminating all gaps in the bike lanes along Front Street, except for immediately opposite the Transit Center, through restriping traffic lanes and/or shifting on-street parking to newly established off-street parking. The Plan recognizes that both bike lanes and curbside parking serve to slow auto movement and insulate pedestrians from heavy traffic.

The Plan also calls for Pacific Avenue to be designed as a bike-friendly street. A 15 mph speed limit is recommended for Pacific Avenue from Water to Laurel Streets. The elimination of diagonal parking is recommended to reduce potential conflicts between bicycles and automobiles.

To make the San Lorenzo River levee bikeways fully functional, the Plan recommends addition or improvement of access points to the west bank at Soquel Avenue, Laurel Street and the pedestrian bridge eastbound, Laurel Street westbound, and to the east bank at Water Street eastbound. As called for in the San Lorenzo River Design Concept Plan, closing the gaps in the east bank levee pathway at Soquel Avenue and Branciforte Creek is also recommended. Proper surfacing and maintenance, and adequate width, are also necessary for the levee bike path to serve as a reliable link in the bicycle circulation system.

Bicycle Parking

The Plan also calls for the provision of ample and secure bicycle parking facilities, including short-term bike racks along Pacific Avenue, as well as bike racks and longer-term bike lockers within existing and future parking lots and structures along Cedar and Front Streets. To facilitate shopper convenience, bike racks should be as available as auto parking spaces along Pacific Avenue, dispersed appropriately to serve storefront locations, and highly visible for security. Initially, an average of 20 racks should be placed per block, with room for expansion as demand warrants. The

recommended type of rack is the inverted "U," fabricated in a size to accommodate the variety of child and adult bicycles. A bicycle rental and route information kiosk is also recommended within the downtown (e.g., at Front and River Streets) to promote the recreational and transportation use of bicycles.

The plan calls for additional bicycle parking at significant destinations in the downtown; these include the Post Office, Civic Center and main library. The existing bicycle parking area at the Transit Center should be repaired and the number of racks expanded; some form of cover should be installed to add protection for all-day parking by commuters.

Pedestrian Circulation

Pedestrian access to, and movement within, downtown Santa Cruz must be direct, secure and comfortable. The predominant means for pedestrians to move about the downtown is by way of the street system, which need to be designed to be attractive and interesting. Development adjacent to the public street will be carefully controlled to ensure that the pedestrian environment is reinforced, and that active uses are introduced to create interest and a high level of security. The streetscape design will also reinforce the pedestrian environment by ensuring adequate sidewalk area, continuous and easy access, landscaping that is visually attractive and that offers shade and color, and adequate levels of lighting to promote a feeling of security. The following key pedestrian facilities and linkages are identified:

Pacific Avenue

Pacific Avenue will serve as the primary pedestrian corridor within the downtown. Automobile traffic will be slowed down to the point where pedestrian movement is clearly the dominant mode of travel. Continuous sidewalks of at least 12 feet in width will be provided along Pacific Avenue; the unobstructed portion of these sidewalks (e.g., free of trees, lights, parking meters, etc.) will be at least 8 feet to provide for two couples to pass each other comfortably. Additional activities beyond this walkway and within the public right-of-way (outdoor cafes, seating, planting, art, sculpture, kiosks, etc.) will be incorporated to strengthen the pedestrian environment. Ground-level activities within adjacent development will be carefully regulated to reinforce the pedestrian orientation, a continuity of activity, and storefront design that promotes interest and variation. At intersections, the sidewalk level will be flush with the crosswalk zones of the street to provide for unobstructed and uninterrupted access.

San Lorenzo Riverfront

The San Lorenzo River offers continuous and exclusive pedestrian movement between the Beach, the downtown and adjacent neighborhoods to the south and north. With the completion of riverfront recreational and flood control improvements, this route will be significantly enhanced and linkages between the river and the downtown will become more critical. The improvement of the Riverfront is a high priority that is expected to occur over the next 5 to 10 years.

Cathcart-Riverfront Linkage

Cathcart Street provides an important east-west pedestrian linkage between the West End neighborhoods and the proposed riverfront park. The Plan calls for sidewalks along Cathcart Street to be no less than 12 feet in width; adjacent uses are allowed to set back from the edge of the sidewalk an additional 12 feet to create active and sunny outdoor eating areas. The improvement of Cathcart Street should be a high priority as part of the Pacific Avenue streetscape improvements.

Metro Center-Riverfront Linkage

The San Lorenzo Riverfront Plan identified the opportunity to create a strong pedestrian and visual linkage between the Metro Center and the river, including the creation of a terraced plaza that would allow pedestrians direct access to the river. While the Recovery Plan suggests that the riverfront open space should be provided at the foot of Cathcart Street to create a stronger pedestrian and visual link to Pacific Avenue, a linkage to the river from the Metro Center is still recommended; in addition, a new footbridge across the river, as recommended in the Riverfront Plan, would provide strong pedestrian linkages to the neighborhoods on the east side of the river.

Church-Cooper Linkage

Church Street and Cooper Street provide a convenient and direct pedestrian linkage between the West End neighborhoods, the Civic Center, downtown, and the San Lorenzo River and Park. The Plan proposes that this linkage be strengthened in the following ways:

- a. In the immediate term: by means of landscape and lighting improvements within the Galleria complex that will give pedestrians a more direct and visually attractive path to the river; by improvements at the western landing of the pedestrian bridge that will create a more direct and distinctive gateway to the river; and by the creation of wider sidewalks along the north side of Church Street to accommodate outdoor cafes and activities.
- b. In the longer term, consideration should also be given to the construction of an expanded pedestrian bridge across the San Lorenzo River that could include shops and bicycle access and provide a more active linkage to San Lorenzo Park. (This is particularly important if the proposed Performing Arts facility is located there.) As part of this concept, consideration should also be given to the creation of a plaza on the east side of Front Street at Cooper Street leading to a new pedestrian connection along the northern edge of the Long's-Zanotto's property.

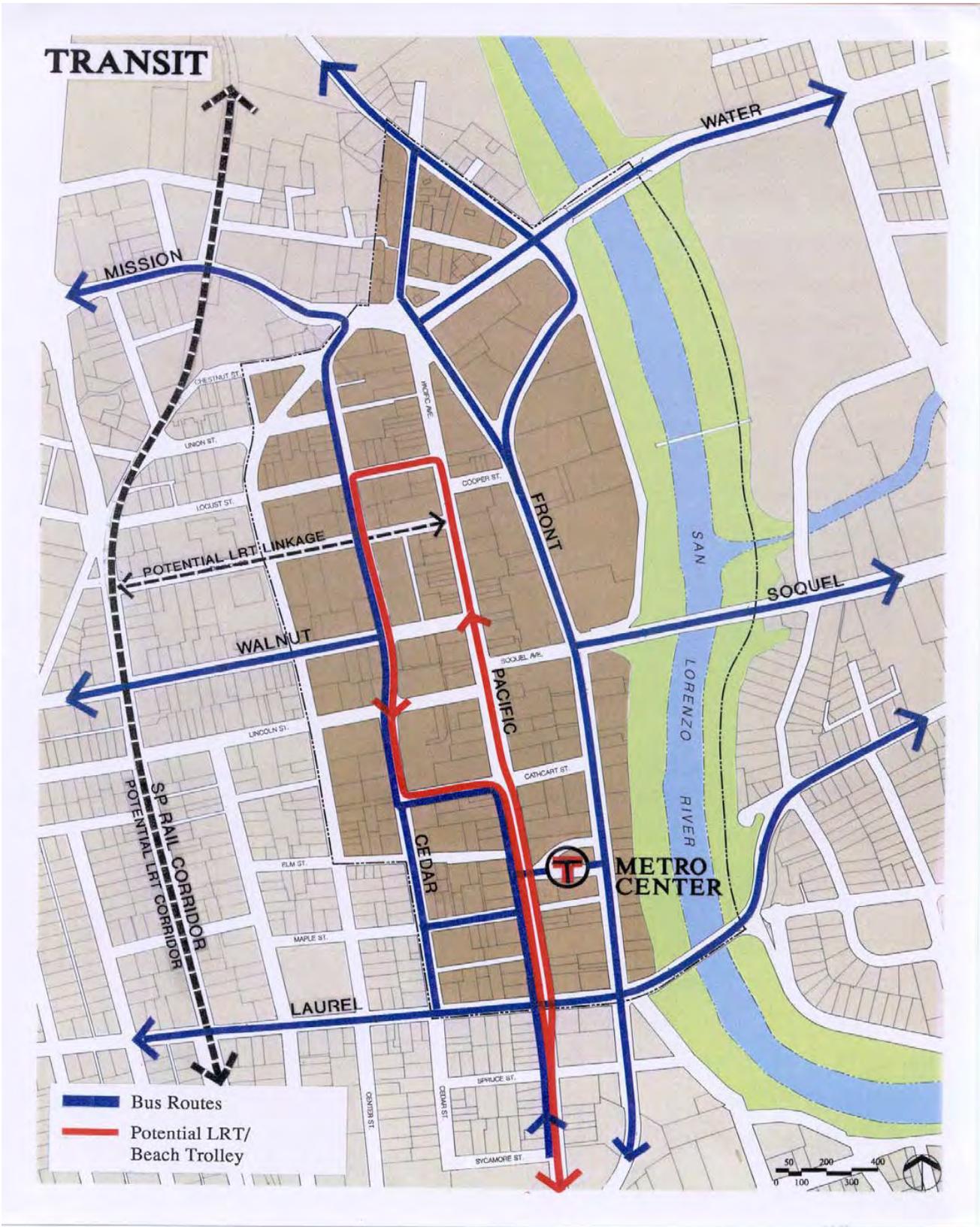
Mission Hill Linkage

As a longer-term action, the Plan recommends the creation of stronger pedestrian linkages to Mission Hill, through the construction of a new stair linking Pacific Avenue and Scope Park to an

upper park that, in turn, would allow pedestrians a direct connection to Adobe Park and Mission Plaza by way of School Street.

Beach Hill Linkage

Similarly, the extension of pedestrian improvements south along Pacific Avenue from Laurel Street to the foot of Beach Hill is recommended as a linkage to that neighborhood. Improvements to the stair at the foot of Pacific Avenue leading to Third Street within Beach Hill should also be considered. Pedestrian and streetscape improvements within Beach Hill along Cliff Street would also create a direct linkage between the beach boardwalk and the San Lorenzo River by means of the historic stairway at South Laurel Street. These improvements should be considered as part of future redevelopment in the South of Laurel area.



This chapter has not been modified from the original 1991 Downtown Recovery Plan.

Streetscape and Open Space Plan 6

Nestled at the foot of the Santa Cruz Mountains, on the coast of Monterey Bay, and at the mouth of the San Lorenzo River, the City of Santa Cruz has a powerful relationship with its physical environment. The downtown itself is defined by natural features, including Mission and Beach Hills on the north and south, and the river on the east. The Streetscape and Open Space Plan is aimed at creating a strong and varied network of active and meaningful urban spaces that link the downtown with its natural setting.

Within the downtown, the street system provides the most significant system of open spaces, providing greenery, light, air, and direct connections to the surrounding community. The function of the streets goes well beyond movement and circulation; streets serve as places for social gathering and civic events; they provide orientation and structure to the downtown; and they are the principal public space that forms much of the pedestrian's experience.

Unlike some cities that developed around a town square or plaza, downtown Santa Cruz has grown along its irregular street system, which responds to the natural landforms of the surrounding hills and adjacent river. Rather than resulting in a single center of focus, the differentiated pattern of downtown streets has given Santa Cruz a rich and varied system of open spaces and spatial experiences. Each of the downtown streets is terminated by the curvilinear pattern of the roadway (e.g., Water-Mission Street), "T" intersections (Cooper-Locust-Church Streets), or by views to the adjacent hills (e.g., Cedar Street) or river levee (e.g., Cathcart Street). In this way, the streets have strong spatial definition and are effective orienting devices.

The downtown streets can be seen as an extension of the city's larger open space system, linking the San Lorenzo River, San Lorenzo Park, Mission Plaza, the Beach Boardwalk, and the Civic Center with one another. In effect, they serve as the "bridge" between ground-level activities within individual buildings and the broader open space system of the city. As such, they are the principal organizing and orienting component that gives memory and structure to the downtown.

The streetscape concept for downtown is aimed at reinforcing the unique role and characteristics of each street, and at creating a more understandable and visually cohesive downtown district. The treatment of streets should reinforce the visual and pedestrian linkages between outlying areas and the retail and pedestrian spine along Pacific Avenue. The improvements should also heighten the spatial experience of moving through the downtown and the sense of place within each subdistrict.

In addition to the enhancement of the principal streets, the Plan also calls for the creation of additional open spaces in the downtown that will have meaning and significance to the community. The most meaningful open spaces within cities have emerged out of natural features and from places that have a historic, cultural, and/or civic significance. In Santa Cruz, the San Lorenzo River offers the greatest potential for the creation of a major downtown open space amenity with strong connections to the natural setting of the city and region. The Plan calls for integrating the river more directly with the open space and streetscape system of the downtown, through streetscape improvements along Cathcart Street leading to a new riverfront park at the foot of that street. In addition to a riverfront park, the Plan also calls for the creation of a series of small parks and plazas

that will link the Post Office, Town Clock, and Scope Park with Adobe Park and Mission Park. This linkage will connect the most significant civic landmarks of the downtown with the historic origins of the City on Mission Hill, and by so doing, enrich the open space network of the downtown. The Plan also proposes the creation of a new park along Cedar Street at Plaza Lane, immediately north of the planned Locust Street garage. This park, which will enjoy sun throughout most of the day, would gain significance because of the heritage walnut tree on the site and its linkage to Pacific Avenue by way of Plaza Lane. Finally, the Plan identifies the opportunity of creating a stronger civic gathering space within the Civic Center area.

Pacific Avenue: Overall Recommendations

Pacific Avenue is the "main street" of Santa Cruz, serving as the principal retail spine of the city as well as its central public gathering space. The fact that the street is not a through-road or arterial provides the opportunity to create a place that goes well beyond the traditional main street. The street can be a "stage" upon which a diversity of activities takes place; people and activities, rather than objects, design elements, or even trees, should be the major theme. Pacific Avenue should be designed as a place to be, not just a place to look at. It should be a place that is comfortable and welcoming to students, parents with children, senior citizens, tourists, and to many others. The street must also reinforce the viability of retail activity within the downtown.

The cross section of Pacific Avenue changes significantly from the north end of downtown to the south. Between Water and Walnut Street, it varies from 65 to 70 feet in width; between Walnut and Cathcart, it ranges from 75 to 80 feet; and south of Cathcart, it is approximately 85 feet in width. This variation creates different opportunities and constraints for the design of the street, and suggests application of a range of conditions and treatments along its length.

In general, the Streetscape Concept for Pacific Avenue recommends an asymmetrical sidewalk treatment north of Cathcart Street, to allow for an intensity of sidewalk activities (e.g., public seating, cafe extensions, etc.) along the sunny side of the street. Given the roadway requirements for a 20 to 24-foot wide street and the objective for curbside parking on both sides of Pacific Avenue (approximately 7 feet per curb), approximately 35 to 40 feet of the right-of-way can be reserved for sidewalk areas north of Cathcart. If divided equally, sidewalks would generally be between 15 and 20 feet; in an asymmetrical configuration, a wider sidewalk on the sunny side of the street can be created (e.g., 20 to 25 feet) to support a greater diversity of activities; at the same time, a comfortable promenading sidewalk can be maintained on the east-facing side (e.g., 12 to 15 feet).

South of Cathcart, a landscaped median of approximately eight feet in width is recommended to take advantage of the wider right-of-way and to create a distinctive sense of place for the area. Continuous sidewalks of 10 to 12 feet would be provided along each side of the street. The following provides a generalized framework of common streetscape recommendations for the overall avenue from Water to Laurel Streets:

Continuity. The street should have a strong sense of continuity, that leads pedestrians comfortably from one destination to the next along the avenue and that allows for ceremonial events such as parades. Views down the length of the street should be maintained to reinforce the spatial continuity of Pacific Avenue.

Promenading. A minimum sidewalk depth of 10 feet and a minimum clear promenading width of at least 6 feet shall be provided along the length of the street. Street trees, planting areas, public seating, bike racks, parking meters and other elements should not protrude into the promenading area.

Accessibility. Unobstructed access shall be provided along the length of Pacific Avenue to comply with the provisions of both the Uniform Federal Accessibility Standards and State Title 24 Accessibility Requirements. To this end, if feasible, the full width of all crosswalks shall be flush with the sidewalk curb to provide continuous unobstructed pedestrian access.

Tree Species. The street tree concept establishes a strong sense of diversity within a larger order and brings together a number of different trees, each with its own unique characteristics. The concept builds on the asymmetrical qualities of the street, emphasizing a double staggered row of "boulevard" trees on the east side of the street with a flowering tree on the west. It also establishes a sense of progression along the street, with a focus on a planting of special trees at the "T" intersections and within the median south of Cathcart Street. On the wider west-facing side of the street, the Plan proposes London plane trees, a relatively fast-growing deciduous tree that can grow to an 80-foot height with a 30 to 40-foot spread. On the narrower east-facing side, the Plan calls for a flowering fruit tree (e.g., cherry), which would grow to a mature height of 25 feet. South of Cathcart Street, where the street will be symmetrically configured with a central median, the Plan proposes the extension of the London plane trees along both sidewalks, with a Jacquemontii Birch tree placed in the median. With bark of the most brilliant white, this tree is tall and narrow, growing to a mature height of 60 feet. At the four "T" intersections, the Plan calls for a special landscape treatment, through the use of large and impressive specimen trees that punctuate the street through contrast with the boulevard and flowering trees in form, color and character.

Tree Spacing and Height. In order to maintain a signature landscape along Pacific Avenue, it is critical that the spacing of trees promote strong visual continuity. To this end, the Plan calls for the boulevard tree to be planted on a staggered row at 25 feet on center. The typical configuration would place the outbound tree within a planter in the curbside parking area of the street and the inbound tree on the sidewalk. The Plan calls for the flowering tree on the west side of the street to be planted in a single row at approximately 25 feet on center. South of Cathcart Street, where the sidewalks are considerably narrower, the boulevard tree would be planted in a single row at 50 feet on center, with the median tree at a denser 25-foot spacing. When planted, the boulevard trees should have at least a 10-foot clearance between the lowest branches and the sidewalk; the flowering tree should provide a minimum 7-foot clearance to maintain views to retailing establishments. At full maturity, the branching of all trees should be maintained no less than 14 feet from the sidewalk surface.

Lighting. Decorative pedestrian-scaled lighting should be provided as another consistent vertical element along the street. Single-headed ornamental fixtures are proposed as the predominant fixture along the length of the street, interrupted only by taller double-headed fixtures at key intersections. Light standards shall be approximately 50 feet on center, spaced centrally between the street trees. The same single-headed fixture as proposed for Pacific Avenue is recommended for the east-west streets between Cedar and Front Streets, to reinforce the identity of the downtown as a district as well as a street.

Activity Nodes and Key Intersections. Key intersections and activity nodes along Pacific Avenue (Cooper-Church-Locust; Soquel-Walnut-Lincoln) should be highlighted by a change in landscape treatment to reinforce the spatial and gateway qualities of the intersections and to support the specific activities programmed for the area. Artistically designed kiosk structures (of less than 60 square feet in size) that sell coffee, ice cream, newspapers, flowers, tickets and/or public art are suggested for the sunny west-facing side of Pacific Avenue at the terminus of Locust and Lincoln Streets. These kiosks would be located on the widest depths of sidewalk along the street (e.g., 30 to 40 feet), where no curbside parking is desirable or feasible because of the intersection movements. The structures are seen as key activity generators as well as key visual landmarks along the street. The activity nodes at the "T" intersections should allow for a variety of additional uses including carts, vendors, informal street performances and free speech tables.

Public Seating. Public seating should be situated as an integral part of the activity nodes at the key intersections listed above, to ensure active and comfortable use by a wide diversity of people and oversight by the nearby kiosk vendor. Public seating should also be distributed along the length of the street, but in a configuration that avoids the monopolization of the sidewalk by groups or individuals (e.g., perpendicular to the promenading area).

Ground-Level Planting. Ground-level planting should be maintained in low beds that will not obstruct pedestrian movement and that will maintain views and a general sense of openness along the avenue. Colorful planting beds for annuals, with low curbs and decorative metal fences no higher than 18 inches, are recommended. Potential locations could include: the base of street trees; the activity nodes at the key intersections; and the median proposed for the South of Cathcart area. In addition, private planting adjacent to individual storefronts is encouraged within the design guidelines outlined in the Plan.

Retail/Cafe Extension Areas. In addition to the promenading area and activity nodes, opportunities for outdoor cafes and the extension of limited types of retailing uses (e.g., flowers, produce, newspapers) should be permitted within the public right-of-way. Specific standards for such extension areas are outlined in the design guidelines.

On-Street Parking. As discussed above, curbside parallel parking is included along the length of Pacific Avenue to maximize access and convenience, and to create strong support for adjacent retail uses. Diagonal parking is not recommended because of potential conflicts with other vehicles and bicycles.

Pacific Avenue: Block-by-Block Recommendations

As part of the planning process, the consultant team and City staff undertook a series of block-by-block working sessions with individual property owners and merchants along Pacific Avenue. These sessions were aimed at involving owners and tenants in the programming of street activities and in guiding the overall streetscape design concept. The input from property owners and merchants has been integrated with overall community objectives and design principles for the downtown, and became an important criteria in the final design concept for the street.

Pacific Avenue: South of Cathcart

The South of Cathcart area is characterized by a wider right-of-way (approximately 85 feet) than the segments of the street to the north, and a deficiency of parking because of the lack of any significant off-street parking facilities. The area is also characterized by a discontinuity of ground-level retail uses because of the vacant parcels at the southeast corner of Pacific and Cathcart, and the small City parking lot at the Metro Center. The key objectives for this area are to increase opportunities for parking and to enhance the overall image and identity of the area as an integral part of the overall downtown.

To this end, the Plan calls for a central planting median of approximately 8 feet, with 10-foot sidewalks along each side of the two-way street. The purpose of the median is to reinforce a sense of continuity and identity, and to enhance the pedestrian scale and amenity of the area. The Plan envisions distinctive tree planting on the median and the opportunity for colorful ground planting at the key intersections of Laurel and Cathcart to create attractive gateway statements. The median would also be designed to allow for pedestrian cross-movement at various points along the street, and for convenient disabled access at the key crosswalks within the district (e.g., Cathcart, Elm, Maple, Birch). The Plan proposes continuous on-street parallel parking, which will generally replace the quantity of existing on-street parking spaces (approximately 40 spaces) in the area. A continuous planting of boulevard trees is proposed within the parking zone.

The redevelopment of the vacant parcels along Pacific Avenue with active ground-level retail, restaurant, and entertainment uses will be important in achieving the desired pedestrian and streetscape environment in the South of Cathcart area.

Pacific Avenue: Cathcart to Lincoln

The segment of Pacific Avenue between Cathcart and Lincoln Streets has a right-of-way width of approximately 80 feet. The area is characterized by a significant number of vacant parcels resulting from the earthquake. These sites include the Ford's Department Store property at Cathcart and Pacific, Plaza and Logos Books, and the Good Times and Gularte properties on the east side of Pacific Avenue. In spite of this devastation, the area is also characterized by several strong destinations including the Del Mar Theater, the Plaza Books Annex, the Cat 'n' Canary clothing store, and the weekly farmer's market on the Ford's property. Redevelopment efforts are fairly advanced in the area, with three approved projects: two retail/residential developments on the Gularte and Good Times sites, and a retail/office development that will replace Logos Books.

The principal objective in this area is to create a vital pedestrian and retailing environment. This is achieved through the creation of an asymmetrical cross section, with sidewalks on the sunnier east side of the street ranging from 25 to 35 feet to support retail extension areas, and sidewalks on the west side approximately 20 feet to accommodate comfortable promenading and more limited extension opportunities. The curb-to-curb dimension of the street is proposed at approximately 35 feet to accommodate two curbside lanes of parallel parking and a wide one-way northbound traffic lane with sufficient room for bicycle circulation. With the removal of the curbside parking lane on the west side of the street (i.e., where the single row of flowering trees is confined to the sidewalk), the street could be changed to provide for two-way traffic, an additional vehicular lane or a designated bicycle lane.

As in the South of Cathcart area, the boulevard tree is proposed to be located within the parking zone to visually reduce the roadway width.

The redevelopment of the Ford's and Plaza Books site will be critical to the achievement of a strong pedestrian environment in this area. The Plan recommends the consolidation of these two properties for the creation of a major retail anchor that could reinforce this portion of the downtown as a strong retailing destination. At the corner of Cathcart and Pacific, a setback of approximately 800 square feet is proposed as an entry plaza and cafe for this anchor use, to activate the street and to create a strong gateway to the downtown. Major storefront displays within the retail development would also serve to enliven the street and build off the creative windows across the street at Cat 'n Canary. The Plan also recommends that this segment of the street be closed on a weekly basis to accommodate the farmer's market.

Pacific Avenue: Lincoln to Walnut

The segment of Pacific Avenue between Lincoln Street and Walnut Avenue plays an important east-west traffic function with Soquel Avenue. As a result, the favored traffic movement within this particular segment is for a one-way northbound operation to avoid left-turn conflicts at Lincoln and Walnut. This segment is also characterized by the three distinctive "T" intersections at Lincoln, Soquel and Walnut, which provide strong visual entry points to the downtown.

The Plan for this portion of the street results in a more symmetrical treatment within the 75-foot right-of-way; sidewalks on both sides of the street are approximately 20 feet in depth; however, the elimination of parking along the east side of the street at the "T" intersections of Lincoln and Walnut results in a plaza area of 35 feet in depth at the foot of Lincoln and 25 feet at Walnut Street. On the wider sidewalk at the Lincoln-Pacific intersection, the Plan calls for two landmark retailing kiosks (coffee, ice cream, flowers, newspapers) to activate the street and to define a plaza area adjacent to the Del Mar Theatre. At the foot of Walnut Street, the Plan proposes an open plaza with public seating. In addition to these activity nodes, cafe and retail extension areas are proposed along the east side of Pacific Avenue immediately north of Soquel Avenue, adjacent to the Trust and Ferrari Buildings.

The roadway width of Pacific Avenue within this segment is proposed at approximately 27 feet to allow flexibility of operation. Curbside parallel parking is proposed on both sides of the street north of Soquel Avenue. As discussed above, the boulevard tree would be located on the sidewalk and within the parking zone. Street trees of a different species and spacing from the boulevard tree are proposed for each of the intersection activity nodes to reinforce the spatial quality and significance of the areas and to offer variation along the length of the street.

Pacific Avenue: Walnut to Church

This segment of the street has a predominant right-of-way width of 70 feet; it includes the Palomar Hotel and a range of "in-line" jewelry, apparel, and food-related businesses. Two significant development opportunities occur along this segment of the street: one at the southwestern corner of Church and Pacific Avenue; and a second at the site of the old Cooper House and Odd Fellow's Lodge at Cooper and Pacific Avenue.

The basic asymmetrical cross section is continued in this portion of the street, with the promenading sidewalk on the west side of the street at approximately 12 feet, and the sidewalk on the east side at 20 feet to allow for extension zones adjacent to the Palomar Hotel, the Neary Building, and the new Cooper House. The curb-to-curb dimension of the roadway is proposed at 34 feet to allow for one lane of traffic and two curbside parking lanes, or if it is desired in the future: two lanes of traffic and one curbside parking/loading lane on the east side of the street.

Pacific Avenue: Church to Locust

This segment of Pacific Avenue between Church and Locust Streets includes the distinctive "T" intersection with Cooper Street, creating a unique spatial condition along the avenue. A significant amount of redevelopment will occur within this segment, including a mixed-use theater complex on the former Gottchalk's site, a major office building with ground-level retail on the site of the former Cooper House and Odd Fellow's Lodge, and the reconstruction and expansion of the County Bank Building as a mixed-use commercial project on the northeast corner of Cooper and Pacific. As a result, this portion of Pacific Avenue will be highly active and intensive, appropriate to its role as a major east-west crossing linking the Civic Center with San Lorenzo River and Park.

The basic cross section of this portion of the street is similar to that between Walnut and Church Streets, with a promenading sidewalk of approximately 12 feet on the west side of the avenue adjacent to the theatre complex, and a wider sidewalk of approximately 27 feet on the sunny eastern side adjacent to the Cooper House and the County Bank Building. A roadway of approximately 27 feet is provided to allow for one-way or two-way traffic movement; no on-street parking is proposed in this section of the street because of the east-west cross traffic and turning movements.

The Plan strives to accentuate the significance of this segment of Pacific Avenue through a number of means. Activity nodes on the sunny eastern side of the avenue and at the terminus of Church and Locust Streets are proposed. These would include retailing kiosks as visual landmarks at Pacific and Locust Streets, and sculpture gardens adjacent to the proposed Cooper House at Pacific and Church Streets. Each of these areas will include colorful planting and public seating. A setback plaza of approximately 800 square feet at the corner of Pacific Avenue and Cooper Streets is proposed for the creation of an active outdoor cafe in the spirit of the original Cooper House plaza.

Pacific Avenue: Locust to Water

The segment of Pacific Avenue between Locust and Water Streets has the narrowest right-of-way width, approximately 65 feet. This portion of the street contains two major approved redevelopment projects: the St. George Hotel development, which will include retail uses with residential above; and the Ron Lau development, which is planned to include Bookshop Santa Cruz on the first two levels and a bed and breakfast inn on three upper floors. The "flatiron" building at the northern tip of Pacific Avenue at Front Street is also planned for reconstruction; together with the Bookshop Santa Cruz, these two projects will create a strong northern gateway to the downtown.

The Plan proposes a one-way southbound street of approximately 20 feet in width for this segment, to create a strong gateway to the downtown from the north. Two curbside lanes of parallel parking/loading are proposed on either side of the avenue. A major element of the Plan is the

creation of a small plaza (3,000 square feet) at the northern tip of Pacific Avenue that will serve as an active extension area for the "flatiron" building, a strong visual gateway to Pacific Avenue...and with the closure of Front Street and/or Pacific Avenue, a major civic gathering space in close conjunction with the Post Office and the Town Clock to the north. The paving treatment of this plaza and the dimensions and paving of the adjacent roadways (Pacific Avenue and Front Street) will be carefully planned to signal motorists that they are entering a pedestrian-dominant zone. The placement of the existing Veteran's Memorial within the space will provide a strong visual element, reinforcing its gateway role. The dimension of sidewalks along this segment of the street will vary from 14 feet to 20 feet to allow extension zones adjacent to the St. George Hotel complex and the Bookshop Santa Cruz.

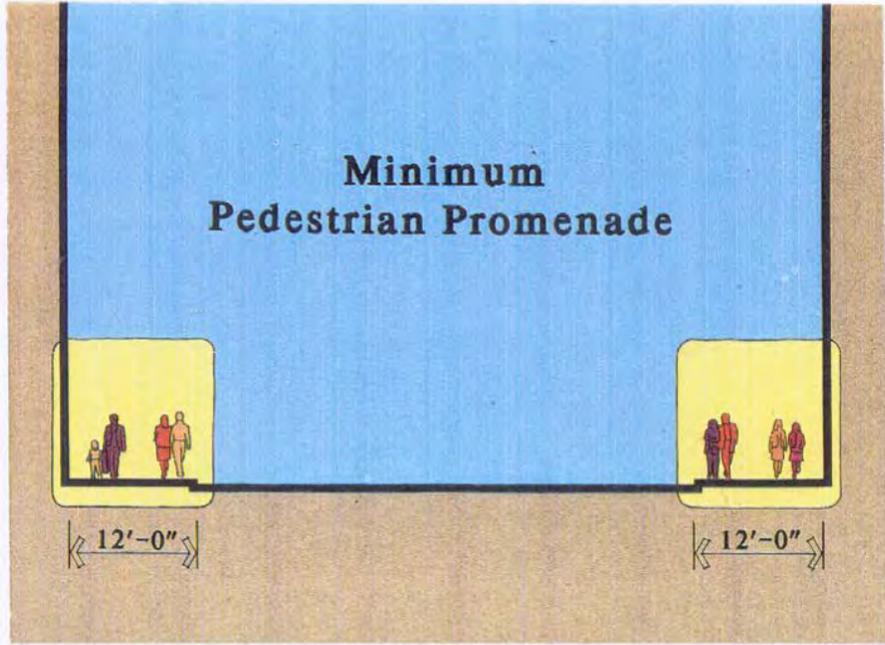
East-West Streets Between Cedar and Front Streets

In order to reinforce the downtown as a district, the Plan emphasizes the importance of improving the east-west streets in a manner that will provide for continuity and clarity. While the first phase of the downtown streetscape improvements are generally confined to Pacific Avenue between Laurel and Water Streets, the streetscape master plan also includes the east-west streets between Cedar and Front Streets. These will be improved in subsequent phases and/or as redevelopment along these streets occurs.

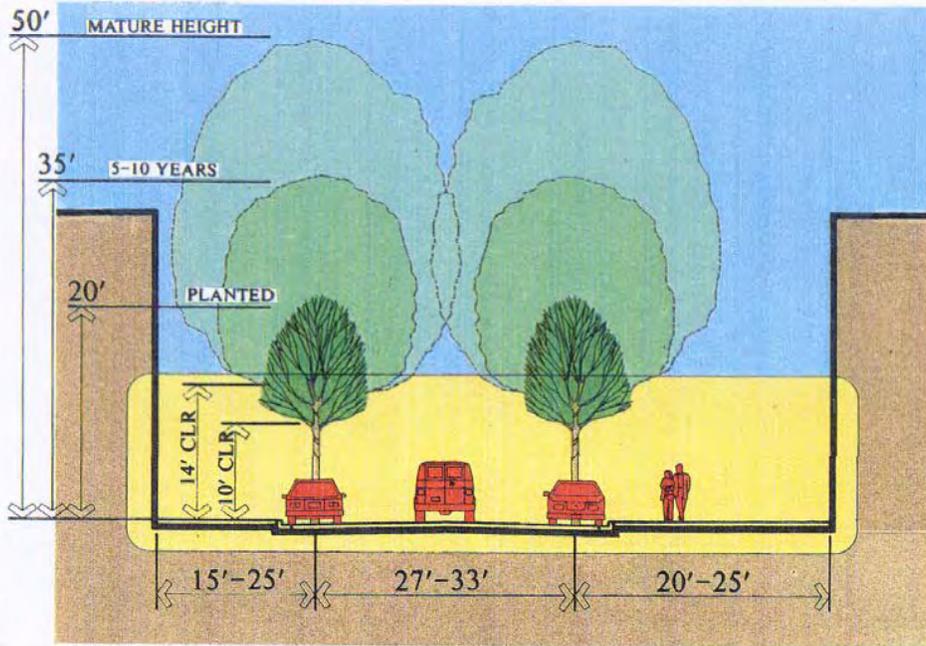
The east-west streets provide important linkages between Pacific Avenue and the adjacent areas; they also provide a continuation of the downtown activities and, as such, must offer a comfortable pedestrian environment. In general, the rights-of-way are considerably narrower than Pacific Avenue, ranging from 55 feet (e.g., Locust) to 70 feet (Cathcart, Walnut). Each of the streets has a unique character and role within the downtown. For instance, Soquel Avenue, Walnut Avenue and Lincoln Street are the principal east-west vehicular routes through the center of the downtown. Cooper, Church and Locust Streets provide for local access and pedestrian movement between the San Lorenzo River, Civic Center and the West End neighborhood. Cathcart Street is the only downtown street that is continuous between Cedar and Front Streets and, as such, provides another pedestrian linkage between the downtown neighborhoods and the river. The Plan calls for these streets to be landscaped in a manner that will promote continuity along their length and result in a diversity of planting in the downtown.

More specifically, along Soquel, Walnut and Lincoln Streets, between Cedar and Front Streets, the Plan recommends a fine-scaled and lacy tree (e.g., ash) to provide a distinctive gateway effect and a contrast to the London planes proposed along Pacific Avenue. Along Cooper, Church and Locust Streets, the Plan recommends the extension of the London plane from Pacific Avenue to emphasize the continuity of the pedestrian environment and to ensure a broad canopy over the street. Similarly, along Cathcart Street, the London plane is recommended to reinforce pedestrian linkages between the river, downtown and the neighborhoods. Along the side streets south of Cathcart Street, including Elm and Maple Streets and Birch Alley, a flowering ornamental fruit tree (e.g., pear) is recommended to introduce color to this part of the downtown, and to respond to the narrower sidewalk widths.

The following provides a more detailed discussion of recommendations for the east-west streets between Cedar, Front, Laurel and Water Streets.

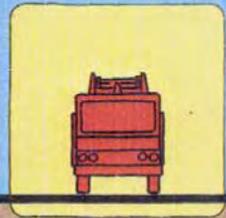


PEDESTRIAN MOVEMENT



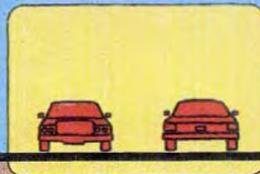
BOULEVARD TREES

**Minimum
One-Way Roadway**



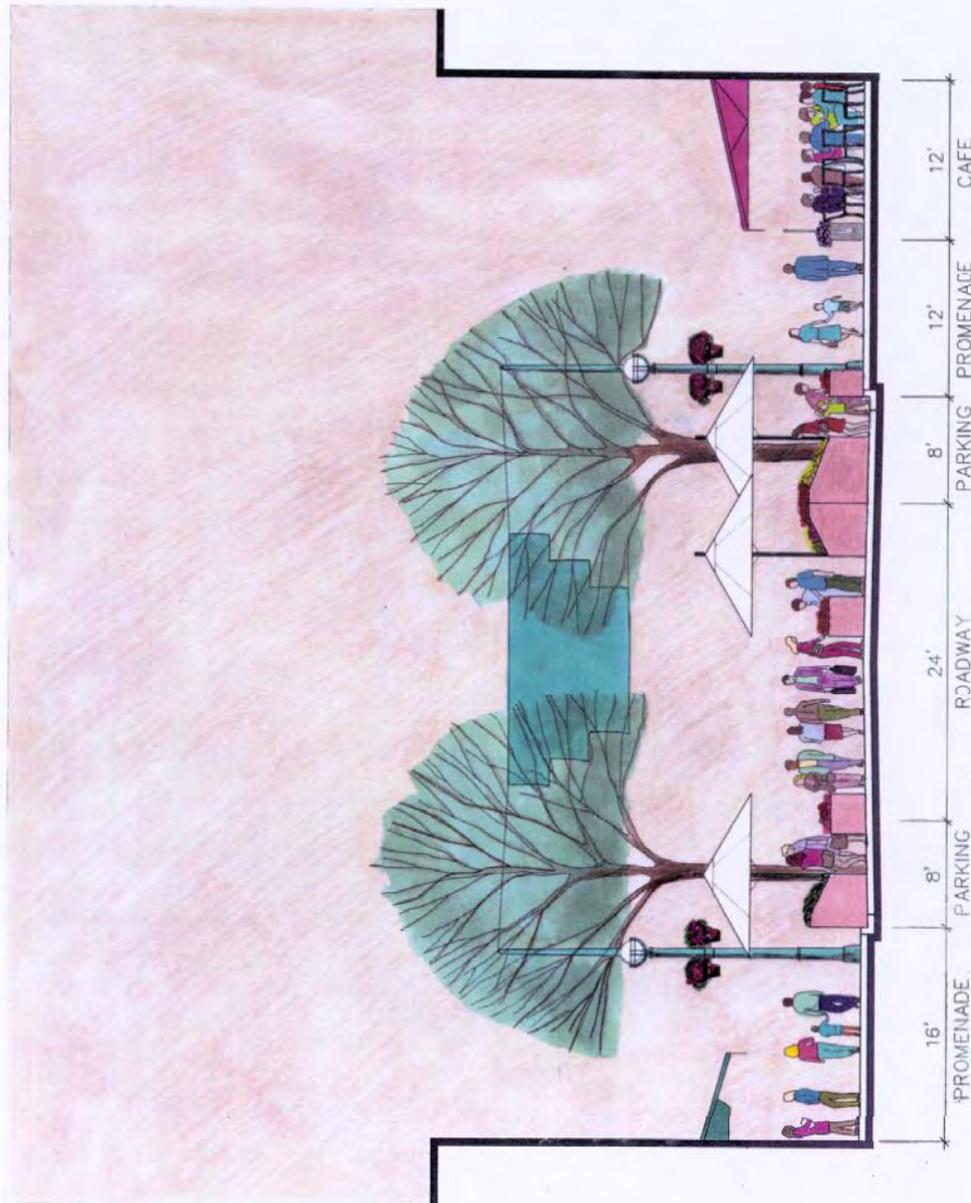
20'-0"
fire truck

**Minimum
Two-Way Roadway**

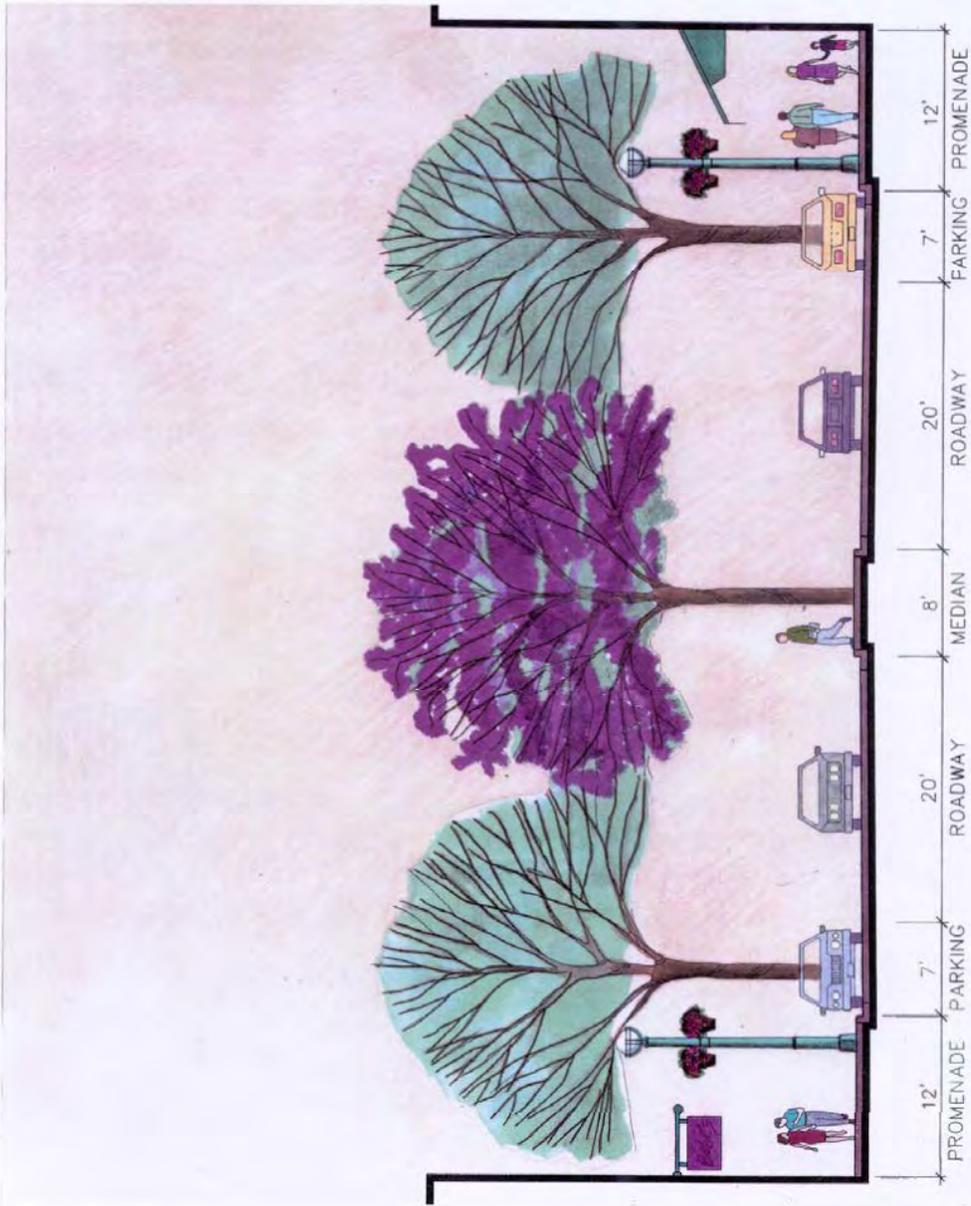


24'-0"

VEHICULAR MOVEMENT



**PACIFIC AVENUE "FARMERS MARKET"
BETWEEN CATHCART STREET AND LINCOLN STREET**



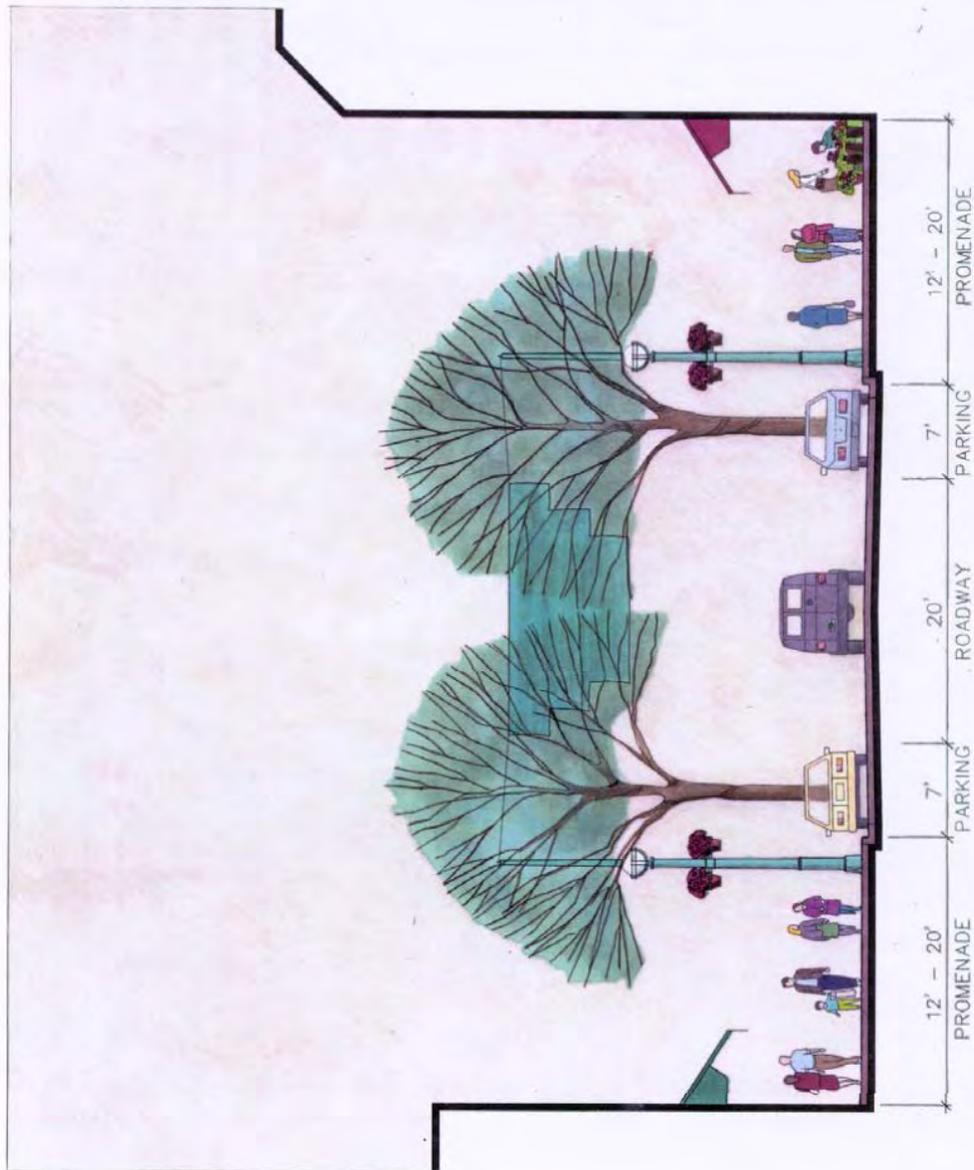
**ACIFIC AVENUE
ETWEEN CATHCART STREET AND LAUREL STREET**



**PACIFIC AVENUE "ACTIVITY AREA" & KIOSK
BETWEEN LINCOLN STREET AND SOQUEL STREET**



**PACIFIC AVENUE
BETWEEN CHURCH STREET AND SOQUEL STREET**



**PACIFIC AVENUE
BETWEEN WATER STREET AND LOCUST STREET**

Cooper Street

Cooper Street plays a unique role in downtown Santa Cruz. As a vehicular street, it provides, with Church and Locust Streets, local east-west access between the West End neighborhoods and Front Street. In the same way, it provides an important pedestrian linkage between the Civic Center, Pacific Avenue, and the San Lorenzo River and park. As a public space, it is uniquely distinctive because of its architectural heritage, reinforced by the historic Octagon building, the Leonard Building, and the County Bank Building. The loss of the historic Cooper House was significant in this regard. Abbott Square, a 5,000 square foot pocket park between the Octagon building and the Cooper House site, reinforces the open space role of the street.

Historically, Cooper Street has been closed on occasions to accommodate special events and festivals. With the completion of the Art and History Museum at Cooper and Front Streets, this potential will be enhanced further. The Plan calls for the street to be maintained as a slow-moving, two-lane roadway with a curbside loading lane (e.g., yellow and white zone) on the south side of the street, and parallel parking and limited loading on the north side. The parking and loading lane on the south side of the street will begin 50 feet east of Pacific Avenue to respond to the proposed Cooper House plaza. In areas where there is parking, sidewalks will measure approximately 8 to 10 feet in width. Along the north side of the street, trees will be planted within the parking lane to promote a narrower pedestrian-oriented street; along the south side of the street, trees will be planted at the same 50-foot spacing, but on the sidewalk to provide for an uninterrupted loading lane that can accommodate long trucks.

Church Street

Like Cooper Street, Church Street is important for local east-west vehicular access and pedestrian movement between the West End neighborhoods, the downtown, and the riverfront. The Plan proposes that it be maintained as a slow-moving, two-lane street of approximately 24 feet in width. To enhance the pedestrian linkage, and to take advantage of cafe extension opportunities adjacent to the proposed theater complex, the Plan proposes the elimination of on-street parking along both sides of the street, with the exception of the north face of the street on the western half of the block. In this way, sidewalks can be maintained at 10 to 12 feet in width, with a wider sidewalk (approximately 20 feet) provided on the sunny north side of the street adjacent to the cinema. The Plan proposes the planting of London plane trees at 25 feet on center within the sidewalks on both sides of the street, interrupted only by the proposed cinema marquis on the north side of the street.

Locust Street

Like Cooper and Church Streets, Locust Street must be maintained as a slow-moving local access street. The narrow right-of-way of approximately 50 feet limits the potential for wide sidewalks. The two-lane carriageway with a lane of parking of approximately 37 feet is recommended to be maintained, with parking confined on the south side of the street. The resulting dimension of the sidewalks will be approximately eight feet. The Plan calls for London plane trees to be planted within the sidewalk at spacing of 50 feet.

Soquel Avenue

The Plan calls for Soquel Avenue to be reinforced as an important gateway street to the downtown. The street must continue to function as a major east-west vehicular route, with two lanes of two-way traffic and an eastbound right turn lane at Front Street. In addition, the Plan recommends that exclusive bike lanes be provided in both directions to accommodate east-west bicycle movement across the downtown. In order to accommodate the movement requirements and to create an attractive pedestrian environment, the Plan recommends that curbside parking be eliminated from this segment of the street. In addition, the Plan calls for a building setback of seven feet on the eastern half of the block, in order to allow for generous gateway landscaping and promenading sidewalks. A large, distinctive, lacy open tree, such as an ash, is recommended within the sidewalk areas (which will range from 10 to 15 feet in width) at spaces of 25 feet on center.

Walnut Avenue

Walnut Avenue will continue to function as a two-lane one-way westbound street between Pacific and Cedar Streets. The Plan proposes that the convenient diagonal parking on the south side of the street be maintained because of the wider right-of-way and the compatibility with bicycle and pedestrian movement. The Plan also calls for the removal of parking on the north side of the street, in favor of an exclusive bike lane that will be part of the Soquel-Lincoln Street system of east-west bicycle lanes. The same tree utilized on Soquel Avenue (e.g., the ash) is recommended to be planted in the sidewalks at a spacing of 50 feet on center. The width of the sidewalks on this street will be approximately 8 to 10 feet.

Lincoln Street

Lincoln Street, between Cedar and Pacific, is planned as a two-lane one-way eastbound street with parallel parking on the north side and an exclusive bike lane along the southern curb. Ash trees, or an open lacy tree to correspond to those selected for Soquel and Walnut Streets, are proposed on both sides of the street at 50 feet on center. The northern line of trees is proposed in planters within the parking zone, while the southern line of trees would be in the sidewalk to allow for a continuous bike lane.

Cathcart Street

As discussed, Cathcart Street is the only local street within the downtown that connects Front and Cedar Streets across Pacific Avenue. As a result, it is an important visual and pedestrian linkage between the West End neighborhood and the San Lorenzo River. It also plays an important role as a local east-west vehicular linkage within the downtown.

West of Pacific, the Plan proposes a 48-foot wide curb-to-curb dimension for Cathcart Street, allowing two lanes of traffic, bike lanes, and curbside parallel parking/loading on the north and south sides of the street.

East of Pacific Avenue, where the right-of-way is narrower and where a strong pedestrian linkage to the river is desired, the Plan calls for a sidewalk of approximately 11 feet on the north side, with parking eliminated to accommodate bicycle lanes and a promenade-width sidewalk. On the south

side of the street, a sidewalk of approximately 7 feet is established in order to retain parking and bike lines. West of Pacific Avenue, sidewalks will be approximately eight feet within the existing right-of-way. A staggered double row of London plane trees, spaced at 25 feet, is recommended along both sides of the street, with the outbound tree placed within a planter in the parking zone to reduce the visual width of the street.

Maple Street

The Plan calls for Maple Street to be maintained as a two-lane, two-way local street between Cedar and Pacific, with parallel parking on both sides of the street. Flowering street trees planted at 50 feet on center in planters within the parking zone are recommended, because of the narrow dimension of the sidewalks (approximately 6 feet).

Elm Street

Elm Street will be maintained as a one-way service alley, with a curb-to-curb dimension of approximately 28 feet and parallel parking on the north side of the street. Because of the narrow sidewalks that result (approximately six feet), and the frequent driveway curb-cuts, flowering street trees are recommended only along the north side of the street in planters within the parking zone.

Birch Lane

Within the South of Cathcart area, the inactivity of the service alleys has created social and visual problems. Birch Lane, between Laurel and Maple Streets, offers a unique opportunity to establish an attractive and active pedestrian way between Cedar Street and Pacific Avenue. The lane already contains a range of entertainment and food-related uses, including: a jazz club, a bagelry, an Irish pub, and a health food store. The Plan proposes that this alley be converted into a pedestrian way that would allow limited access for service vehicles, and for adjacent restaurant and entertainment uses to extend into the right-of-way. Parking at Cedar Square is proposed to be shifted to the south within the public right-of-way to allow the pedestrian way to remain adjacent with the active uses of the pub, jazz club, and bagelry.

In order to enhance the image of Birch Lane as a "club alley," a special paving, lighting, and street planting approach should be developed. Flowering trees, similar to those selected for Maple and Elm Streets, are recommended. Access to surface parking lots (e.g., Planned Parenthood and the residential apartment building) should be reconfigured from Laurel Street and Maple Avenue by aggregating the separate lots. In addition, a program of centralized garbage storage will be critical to improve the visual image of the lane. A key action that will be necessary to make this concept successful will be the replacement of Pip Print and its surface parking at the corner of Birch and Pacific with a more active and street-oriented use.

Service Alleys

Downtown Santa Cruz has numerous service alleys that provide loading access to individual properties as well as pedestrian access from off-street parking facilities. The Plan proposes that a consistent treatment of lighting and paving (e.g., stamped concrete) be developed for all of these lanes, to improve their visual appearance and the pedestrian environment. For each lane, a strategy

for centralized garbage should be developed to alleviate existing problems of exposed dumpsters and recycling bins.

The East-West Gateway Streets: Water, Soquel, and Laurel

Three east-west street corridors bring traffic directly to Pacific Avenue: Water and Mission Streets at the northern edge of the downtown; Soquel Avenue, Lincoln, and Walnut Streets in the center of downtown; and Laurel Street at the southern edge. These streets serve as distinctive gateways to the downtown district, which should be heightened and enhanced. More specifically:

Water-Mission Streets: This street corridor links Ocean Street on the east with Highway 1 on the west, and is a key entry to the downtown. The existing visual experience is a rich one that should be preserved. From the Water Street Bridge, one can see the varied skyline of Santa Cruz framed by the escarpments of Mission and Beach Hills and the San Lorenzo River. The median treatment of tall redwood trees along Water Street creates a distinctive gateway, and the Town Clock provides a strong suggestion of arrival and center. From Mission Street, the downtown is more slowly revealed as one proceeds down Mission Hill to the Town Clock and Scope Park. Specific streetscape recommendations for the Water-Mission Street corridor include:

- a. Treatment of the Water Street Bridge with banners and special lighting that creates a stronger feeling of entry, and that highlights the importance of the San Lorenzo River. A common theme could be established with both the Soquel Avenue and Broadway Bridges.
- b. New development that occurs at River and Water Streets should be carefully designed to accentuate this intersection as a northern gateway to the downtown (e.g., use of distinctive architectural elements at corner).
- c. The planting of street trees along the north and south curbs of Water and Mission Streets to strengthen the sense of greenery, and to enhance the gateway sequence leading to the Town Clock. The existing stand of redwoods in the median should be maintained.
- d. Redesign Town Clock Square and Scope Park to create a stronger visual linkage and civic statement in relation to the post office and the proposed entry plaza at the northern tip of Pacific Avenue. This linkage should be achieved with special paving that will also assist pedestrians in negotiating the wide intersection, and with common tree planting that reinforces the spatial integrity of the intersection. Paving at the entry to Pacific Avenue and Front Street should also be designed to give the motorist a strong sense of arrival and a signal that the downtown is a pedestrian district where traffic must move slowly. The treatment of new buildings adjacent to the space should be carefully considered to reinforce the spatial integrity of the intersection and to be compatible with the Italianate post office (e.g., similar materials and color, visual extension of key horizontal lines including pediment and parapet). Activities (e.g., cafe, outdoor market) on the new Pacific Avenue plaza, Scope Park, and Town Clock Plaza will also reinforce the civic significance of the space and the sense of entry to the downtown.

- e. Introduce signage that clearly directs traffic destined for the downtown shopping district to Pacific Avenue, and other traffic to Front, Cedar, and Center Streets.

Soquel-Walnut-Lincoln: As discussed above, these three streets provide a major east-west corridor through the downtown; their gateway significance is enhanced by the way that they visually terminate at Pacific Avenue. Specific recommendations related to their improvement include:

- a. Treat the Soquel Avenue Bridge with banners and special lighting to create a stronger feeling of entry, and to highlight the importance of the San Lorenzo River.
- b. Introduce a consistent landscape treatment along Soquel, Walnut and Lincoln Streets (e.g., an open lacy street tree such as an ash), on the north and south sides of Soquel Avenue and around the Soquel-Front intersection.
- c. Design the corner treatment of new buildings at Soquel and Front Streets to accentuate the role of this intersection as a principal gateway to the downtown (e.g., tower or turret treatments, corner setbacks, major display window, etc.).
- d. Reinforce the significance of the Lincoln, Soquel and Walnut intersections with Pacific Avenue. Streetscape treatment of Pacific Avenue between Lincoln and Walnut Streets should reinforce the significance of the three intersections as a major "crossing" and principal activity center in the downtown. Taller specimen trees at the "T" intersections are recommended.

Laurel Street: The southern gateway to the downtown district is by way of Laurel Street and the Broadway Bridge, which form a major east-west arterial through the city. Apart from signage, the motorist is not given many visual "signals" that the downtown is immediately to the north. Specific streetscape recommendations for this corridor include:

- a. Treat the Broadway Bridge with banners and special lighting to create a stronger feeling of entry, and to highlight the importance of the San Lorenzo River.
- b. Introduce continuous curbside street trees at a spacing of 50 feet along the north and south side of Laurel Street.
- c. Mark the intersection at Front and Cedar Streets through the use of distinctive landscaping (taller trees, planting beds) to signify an entrance to motorists.
- d. Highlight Pacific Avenue at Laurel as the southern "gateway" to the downtown, by making streetscape improvements on Pacific Avenue (e.g., median treatment, paving, street trees) highly visible. Extending paving and landscaping treatment across the Laurel Street intersection should be considered.
- e. Incorporate design guidelines that encourage distinctive architectural treatment of new development at Front and Laurel Streets to accentuate this intersection as a major gateway to the downtown. Because of its visual prominence from the

Broadway Bridge, the Toyota property provides a particular opportunity in this regard.

The Front/River Street Corridor

Although Ocean Street to the Riverside Bridge is (and will continue to be) the predominant way for regional traffic to reach the Beach, the Front/River Street corridor provides the most direct downtown route between Highway 1 and the Beach. This corridor also plays an important visual role as a "seam" between the downtown and the San Lorenzo River. Its role as an automobile route needs to be carefully balanced with both its visual role and the need for pedestrians to move along it and to cross it safely and conveniently to the river.

Front and River Streets are currently under study to determine the appropriate operations for the corridor. Options under consideration include: four through-lanes of traffic; three through-lanes with exclusive northbound and southbound bike lanes along each curb; and two through-lanes with curbside parking and exclusive bike lanes. All options would accommodate left and right turn lanes as necessary at key intersections (e.g., Soquel). While from an urban design standpoint, it would be most desirable to maintain curbside parking with a bicycle lane to create a comfortable buffer between pedestrians and traffic, the City has determined that traffic movement requires more than two lanes of through-movement. Therefore, a tradeoff between the desire for bicycle movement and curbside parking will need to be made.

Regardless of the ultimate operation of the corridor, the Plan recommends a strong and consistent streetscape treatment along River Street from Highway 1 to Front Street, south along Front Street to the Washington Extension, and then south to the Wharf and Boardwalk. This treatment would help to direct through-traffic around the downtown, and to create an attractive riverfront boulevard leading to the Beach. Palm trees would create a visually strong statement and would be evocative of the Beach; they would also be at an appropriate scale with the relatively wide street, and provide an interesting visual counterpoint to the more intimate streetscape of Pacific Avenue and the riparian landscape along the river. A consistent lighting treatment along the length of the corridor should also be considered. As discussed above, each of the major east-west vehicular intersections with Front Street should be marked by an interruption in the landscaping to signify entries to the downtown.

The segment of Front Street between Water and River Streets will continue to function as a one-way southbound street, and is envisioned as a more intimate pedestrian-oriented street with limited through-traffic. The streetscape treatment should reflect this role. The paving treatment of Pacific Avenue should extend along the west side of the street adjacent to the St. George Hotel, where continuous retail commercial uses are planned. The street tree along this portion of Front Street should be similar in scale and type to the boulevard tree selected for Pacific Avenue (i.e., London plane) to extend the pedestrian character of the downtown to Front Street.

Cedar Street

Although Cedar Street plays a similar role as Front Street, in terms of providing local access and parking for Pacific Avenue, it is markedly different in function and image. Unlike Front Street,

Cedar does not lead directly to any major arterials. It functions as a local route and, particularly since the earthquake, has become a more retail-intensive and pedestrian-oriented street. Its image is that of a village street; the buildings are varied in height, form and setback; the streetscape is informal and random. While the pedestrian environment of Cedar Street needs to be improved (in some cases, sidewalks are narrow and in bad repair), the informal and "organic" character of the street should remain in place. A consistent street planting approach is not recommended, as this would obscure the unique and diverse character of the buildings and activities along the street.

Rather, it is recommended that street planting continue to occur on an incremental basis, by individual property owners within setback areas, at the edge of the city parking lots and within the street right-of-way, where there is sufficient space to allow for promenading (e.g., at least 10 feet). Existing street trees should be evaluated for their appropriateness and their condition. There are examples of street trees that are not thriving (e.g., Pittosporum or Victorian Box) and ones that are inappropriate for sidewalk installation (e.g., Ligustrum or Privet). Care should be taken to plant trees that are appropriate to the particular constraints of a location.

Park and Plaza Improvements

While streets provide the major opportunity for public open space within the downtown, the Plan identifies several opportunities for the introduction of parks and plazas that can serve as places for gathering and recreation.

Plaza Lane/Cedar Street Park

Once the Locust Street parking garage is completed, there is an opportunity to create a park/public space of approximately 15,000 square feet on the existing city parking lot to the north. This park could include as a major element the preservation of the landmark walnut tree, and could serve as an attractive counterpoint to the more active and urban spaces along Pacific Avenue. The park, which would enjoy sun throughout most of the day, would be directly connected to Pacific Avenue by Plaza Lane.

A New Civic Center Plaza

Although not strictly within the boundaries of the Downtown Recovery Plan, the Civic Center at Church and Center Streets offers an appropriate opportunity to create a meaningful civic gathering space for the downtown. Immediately following the earthquake, citizens naturally gravitated toward City Hall to gain information. Despite its significance as the seat of local government and a center of cultural exchange (e.g., Civic Auditorium and the main library), the Civic Center does not include an open space specifically designed for public gatherings. The Plan recommends that consideration be given in the future to the creation of such a place at the Civic Center; this could include a redesigned plaza and garden space in front of City Hall and/or an open space flanking Church Street and visually connecting the City Hall, Civic Auditorium and Library.

A Riverfront Park

The City's 1988 San Lorenzo River Design Plan called for the creation of a riverfront plaza/park along the levee promenade between Soquel and Laurel Streets. The Plan located this open space

opposite the Metro Center to create a strong activity linkage with the downtown, and to offer pedestrians the opportunity to get to the water's edge. Based upon further evaluation of open space opportunities in the downtown, the Recovery Plan strongly reconfirms the importance of creating such a riverfront park as a public gathering space and as an open space resource that connects the downtown with its major natural feature. However, the Plan recommends that it be sited at the foot of Cathcart Street to provide a more direct visual and pedestrian linkage with Pacific Avenue, and to take advantage of opportunities to expand Cathcart Street as a stronger pedestrian street.

The precise design of the riverfront park needs to be studied in detail. Its size should be approximately one-half acre in size (no more than 150 feet square) to promote a strong sense of intimacy and enclosure. Its design should be closely coordinated with adjacent commercial and residential development to maximize ground-level activity (e.g., convenience retail uses, residential stoops and entries, etc.) and a sense of security. The design should lead pedestrians comfortably from the Cathcart Street crosswalk at Front Street to the top of the levee in a gradual series of terraces that also provide disabled access. A terraced amphitheater stepping down to the river's edge should provide pedestrians with access to the water's edge and serve as a performing space or as a place for brown-bag lunches and informal seating. In addition to hardscape elements that accommodate public gathering, the park should include generous softscape including turf areas, natural riparian vegetation, and colorful planting.

This chapter has not been modified from the original 1991 Downtown Recovery Plan.

Implementation and Management Strategy 7

Implementation

The Downtown Recovery Plan will be implemented through a range of actions, some to be carried out by the Redevelopment Agency, others through other City departments, including Planning, Public Works, Parks and Recreation, Water and Finance. Implementation of the Plan includes construction projects such as public and private development, the replacement of infrastructure and streetscape, as well as statutory and regulatory actions such as changes in zoning, parcel configuration, and planning documents.

The Plan itself, when adopted, will supersede those sections of the 1984 Downtown Area Plan dealing with the planning area of the Downtown Recovery Plan. The Downtown Recovery Plan thus amends and becomes part of the City's General Plan. (Some sections of the 1984 Downtown Area Plan dealing with other parts of the downtown remain relevant and will combine with the Recovery Plan to comprise the area plan for the greater downtown.)

Aspects of the Plan also amend parts of the San Lorenzo River Design Plan as the Downtown Recovery Plan implementation strategy seeks integration with the River Plan.

Implementation of the land use recommendations and design guidelines may require amendments to the Municipal Code, including the zoning ordinance. Portions or all of the Plan may be adopted as a Specific Plan for the downtown.

Implementation of the streetscape recommendations and replacement/reconstruction of water, sewer, street, storm drainage and other utility infrastructure will involve construction activity on Pacific Avenue or other downtown locations. Construction impact mitigations will be proposed as part of the Environmental Impact Report (EIR) for the Plan.

The long range implementation of the Plan anticipates eventual construction of parking structures and/or the combination, reconfiguration, purchase or lease of areas for public and private parking. Changes in traffic circulation and signalization, bikeways, and arrangements necessary to operate a beach shuttle and/or a fixed rail trolley are also anticipated. Acquisition and/or development of park and open space areas as outlined in the Plan are also anticipated as an implementation activity. Actions necessary to implement accessibility standards identified in the Plan in both private and public development will be undertaken. In short, a variety of operational policies and construction activities are anticipated in order to implement specific recommendations in the Plan.

A number of redevelopment actions are contemplated as part of the implementation strategy. These include: property acquisition (including eminent domain proceedings); entering into disposition and development agreements (e.g., selling of land, stipulating public and private responsibilities associated with new development); subdivision, resubdivision or combining of properties, changing property boundaries; demolition of nonhistoric buildings; issuance of bonds, certificates of participation or other financial instruments; and passage of specific resolutions or ordinances as

necessary and appropriate to implement particular aspects of the Downtown Recovery Plan. A number of potential actions will be implemented as part of the retail management strategy to be undertaken jointly between the City and the private sector.

Environmental review will address these activities as well as the general levels of development and building identified as part of the "project called out in the Plan.

Specific Implementation Policies for Circulation

In order to promote a bicycle-friendly downtown, the following specific implementation policies for circulation are recommended:

1. Elimination of Diagonal Parking. The elimination of diagonal parking is recommended for the entire downtown core area, except on the left side of one-way streets (e.g., Walnut Avenue between Pacific and Cedar), where there will be no conflict with safe bicycle movement.
2. Avoid Decorative Bricking in Streets. Decorative bricking in the street can cause hazards to cyclists as well as pedestrians and persons utilizing mobility aids and devices, and should not be used.
3. Smoothness Standards. For safety as well as aesthetic reasons, all roadway surfaces in the downtown should be built and maintained to a high standard of smoothness.
4. Construction Hazards. During the coming period of public and private reconstruction of the downtown, all construction sites should be monitored for compliance with safety standards regarding road cuts, debris, temporary signs and scaffolds, and other potential hazards. Steel plates placed over roadway excavations should have edges tapered or buried, and should have nonslip treatments.
5. Standards for Gratings. As the Downtown Recovery Plan is implemented, all gratings and utility service cover plates should conform to CalTrans standards for bicycle safety; existing substandard gratings should be upgraded.
6. Mixed-Use Pathways. Sufficient space on mixed-use paths, such as the river levee, should be ensured as both bicycle and pedestrian use increases.

Downtown Management Strategy

The previous chapters of the Recovery Plan have dealt with the physical design standards, regulations, and proposals for public and private improvements. This chapter outlines recommended management strategies for the ongoing administration and maintenance of the downtown area.

Clearly, physical improvements alone will not create an active and economically viable retail street. The nature of downtown retail has changed due to highly competitive pressures created by

outlying shopping centers, which have the advantage of central management and controlled environments. Downtown merchants and property owners can no longer afford to ignore the advantage of working together to create a competitive destination. In addition, the magnitude of Santa Cruz' specific problems related to rebuilding a major portion of its downtown warrants an active and aggressive centralized management approach.

The following management strategies and systems are proposed as a means of both guiding and supporting the redevelopment of the downtown and the redesign of Pacific Avenue. While many of the activities are within the traditional responsibility of the City, and will remain so, this approach is comprehensive and includes activities of downtown-oriented nonprofit entities. For instance, the City Council, through its various agencies, will continue to administer all health, safety and land use regulations. The Downtown Commission, appointed by the Council, will continue to advise the Council on overall issues affecting the downtown, including parking and public improvements.

Augmenting these activities is the proposed Cooperative Retail Management (CRM) organization, which would be established to manage and administer specific programs related to the revitalization of the downtown's retail and public spaces. The CRM organization would assist retailers, property owners, and the City in coordinating and actively managing programs which directly affect the overall street and economic environment of the downtown, including retail recruitment and retention, property management, leasing and management of special uses in public spaces, and maintenance and security.

A key to all of the recommendations is the concept of a public-private partnership. In order to effectuate that partnership, a commitment to the program must be demonstrated by the private sector as well as the City in terms of financing the organization, having representation in the organization, and adhering to the programs established by the organization. That commitment should be made at the outset.

Cooperative Retail Management

The following section discusses potential responsibility phases and management issues associated with implementation of the Downtown Recovery Plan, including the element of a Cooperative Retail Management (CRM) program. It is included as resource material to inform future discussions on the issue, and should not be construed as adopted policy.

The Plan recommends that a Cooperative Retail Management (CRM) entity, structured as a nonprofit (501-3-c) corporation, be formed as soon as possible. The immediate objective of this entity would be to coordinate the property owner and tenant improvements and activities with the City's reconstruction program, and to administer a retail retention and recruitment program for the downtown.

The entity should be established as a joint effort of the City and the Downtown Association. Its board of directors should include members of both entities and representative retailers, property owners, developers, and property managers. Downtown legal, accounting, and design professionals would also be appropriate as board members. Budget estimates could be as much as \$250,000 to \$300,000 per year in the initial three to five years, depending on the level of staffing required.

Phase One CRM Responsibilities

The CRM's primary responsibilities prior to completion of the construction phase would be assisting retailers in getting back into old and newly constructed buildings in a timely and coordinated manner and initiating a retail recruitment effort. The primary tasks for the first two years include the following:

Retail Recruitment

- Execute a retail recruitment program designed to identify and recruit Bay Area, regional and national chains into the Downtown and areas contiguous to the Downtown.
- Administer a retail recruitment program designed to identify and recruit additional independent retailers into the Downtown.
- Assist property owners and retailers in finding appropriate locations which match the needs of both parties as well as the overall marketing strategy for the Downtown.

Retail Assistance

- Coordinate developers' and property owners' construction with the City's construction and development schedules to facilitate the process of moving tenants into permanent commercial space.
- Administer a retail retention program designed to help prepare existing local retailers for the demands of relocation and potentially higher rents.
- Oversee displaced retailers relocations, advise retailers and administer any retailer relocation funds that might become available through State grants or low-interest loans from other sources, as may be appropriate.
- Assist small retailers and property owners in negotiating fair and equitable leases for commercial space in the Downtown.
- Initiate the development and enforcement of retail standards and coordination such as common hours of operation, joint marketing, advertising, and promotions; cluster merchandising concepts; innovative pedestrian-oriented signage; and customer service training for store employees.
- Coordinate with the City on issues involving parking, traffic, movements, street lighting, security, maintenance, and special events during reconstruction.
- Formulate a management plan for administration of kiosks and extension areas or other related matters.

Phase Two CRM Responsibilities

Upon completion of the street improvements and the initial stages of the retail recruitment program, the CRM would implement the management plan for the downtown retail district. The emphasis on retail recruitment and retention should shift from active solicitation and marketing for tenants to coordination of, and assistance to, real estate brokers, property owners, and developers; in addition, the emphasis of the CRM should be on the active management of the street on a day-to-day basis.

The primary focus of Phase Two would be to: coordinate overall promotions and marketing; assist with individual retail recruitment; control and coordinate downtown business hours; and coordinate with the Downtown Association on seasonal events and promotions. However, in addition, and in light of the foregoing considerations, it is recommended that the City Council enter into a management contract with the CRM to undertake the following responsibilities (to the extent allowed by the law):

- Coordinating with the City in the permitting of retail and cafe extension areas.
- Permitting and licensing of vendors, carts and street performers.
- Permitting and coordination of weekly farmer's market.
- Tenant recruitment and leasing of kiosks.
- Coordination with the City, property owners and tenants on security and maintenance issues.
- Coordination with the City, property owners and tenants on all temporary street closures.
- Maintenance and updating of all public information kiosks and directories within the downtown.
- Maintenance and administration of a Pacific Avenue banner program; and coordination with the City and arts community in a program of public art within the downtown.

Management Issues

The City Attorney must provide the City with an opinion on the manner in which the CRM could manage activities normally managed by the City. Dependent upon that opinion, the management contract between the City and the CRM would include some or all of the following activities:

Retail and Cafe Extension Areas

- The City would issue licenses to property owners for merchants or restaurant operators wishing to extend into the public right-of-way, consistent with the retailing objectives of the CRM.
- The City would review all design proposals and enforce compliance with established standards for the use of retail and cafe extension areas, consistent with the objectives of the CRM.
- Licenses would be fully revocable for noncompliance with the standards, at any time and without recourse.
- A monthly or semi-annual license fee from all permittees based on the amount of square feet of public right-of-way utilized as an extension area would be established.

Carts and Vendors

- The CRM would issue permits for carts and vendors. These permits would clearly establish the proposed location for the cart on the street, allowable hours of operation, and the type of merchandise or food to be sold under the terms of the contract.
- For the issuance of a permit, approval would be required of the adjacent property owner(s).
- Permits would be on a month-to-month basis and fully revocable for noncompliance with standards established by the City and the CRM.
- The CRM would collect a standard monthly permit fee from all cart and vendor operations.

Street Performers

- The CRM would establish a Downtown Public Space Arts and Performance committee with responsibility for developing guidelines for street performers and public art. The committee would review all permit submittals and retain a right to refuse anyone a permit.
- The CRM would establish zones within the Downtown which have the approval of adjacent property owners and the City. Street performances would be restricted to these areas.
- The CRM would issue permits for street performers. Permits would clearly establish permitted location for street performers and allowable times for performances.
- The CRM would not collect fees for these permits.
- Note: This provision should be reviewed by the City Attorney, as an underlying "time, place, and manner ordinance" may be required to be adopted by City Council.

Free Speech Tables/Demonstrations

- The CRM would also assist groups wishing to set up free speech tables or undertake demonstrations, in coordinating with the Police Department and in gaining appropriate permits.
- The CRM would establish zones within the Downtown where free speech tables could be set up.

Farmer's Market

- The CRM would assist in the coordination and administration of the weekly farmer's market, including issuance of permits, control over individual vendors, and logistics related to setup, trash control, storage of stalls and vehicles, and street cleanup.
- The CRM would also coordinate with adjacent property owners and retailers to ensure that the farmer's market continues to be compatible with their merchandising.

Retail Kiosks

- The CRM would be responsible for recruiting tenants and leasing kiosks to appropriate tenants who will help activate the street.
- Prospective tenants would obtain written approval from adjacent property owners.
- All leases for kiosk space would be of a short-term duration, subject to renewal, and fully revocable for noncompliance with standards established by the City.
- The CRM would be responsible for assisting tenants in improvements to the kiosk and collecting monthly rents.

Street Closures

- The CRM could be responsible for coordination of all street closures with the City, police, property owners and tenants, including the preparation of all necessary applications, requests for such closures, and posting of public notices for street closures in accordance with City ordinances.

Security

- The City Police Department would maintain primary responsibility for downtown security. The CRM would act as a liaison between individual tenants, property owners, and the police.
- The current assignment of police to the downtown is five full-time patrol officers. The CRM would review the assignment with the City on an ongoing basis to maximize security effectiveness.
- A budget should be established for private security guards to augment police surveillance during the Christmas shopping season and special events, and for parking lot/structure patrol and for traffic control as required.
- The CRM could administer the "Neighborhood Watch" program for the downtown; all shops and businesses could be connected to the CRM by phone; the CRM could alert police and other merchants as required. The CRM could also conduct bimonthly meetings with merchants and the police to resolve issues and to refine security strategies.

Maintenance

- The City would retain responsibility for maintenance of the downtown area; CRM will act as an advisory to the City regarding tenant and property owner concerns.
- It is recognized that the overall streetscape maintenance will be at a higher level than other areas of the City, but staffing levels should not exceed the current levels.
- Once the Streetscape Design has been completed, it is critical that the Design Consultant, along with input from the Streetscape Task Force, property owners and tenants, develop a detailed maintenance impact report, which shall include:
 - definition of the work area and area priorities for level of maintenance;
 - frequency for wash down and sweeping of public walkways;
 - specifications for tree pruning;
 - specific locations of planting areas/beds and planting schedule;
 - schedule for repairs and responses to vandalism;
 - frequency of trash pickup;
 - maintenance of kiosks;
 - maintenance of banners and holiday decorations; and
 - consideration of water-saving alternatives.
- An automatic irrigation system should be installed throughout the area, including all tree wells and planting beds. Hose bibs should be located at appropriate intervals throughout the area.

Project Financing

A key element in the implementation of the Downtown Recovery Plan is the development of a funding strategy. This strategy needs to be both flexible and sufficient to cover the anticipated costs of the Recovery Plan and various post-earthquake recovery programs. Issues of importance include capital expenditure and long-term maintenance.

Financial Resources

Funding for capital expenditures is available from federal, state, and local sources. The strategy developed for the Recovery Plan is to use the most efficient mix of these resources to provide the

maximum leveraging of local funds. The funding strategy is also dependent on project phasing and must be flexible to respond as costs and schedules change. The sources for financing downtown recovery are diverse and will be brought together in different combinations at different times to implement the Recovery Plan.

Federal Resources

Federal Emergency Management Agency Assistance – Disaster Assistance

This program provides assistance to local governments to reconstruct public improvements damaged by a natural disaster. The program is based on an assessment by the Federal Emergency Management Agency (FEMA) of local damage and the cost of replacement. Funding from this program will be used to pay for portions of the cost of reconstruction of Pacific Avenue and other City infrastructure in the downtown area.

Economic Development Administration – Sudden and Severe Impact Assistance Program

This program is designed to provide economic development assistance to cities damaged by natural disasters. Assistance provided to the City of Santa Cruz through this program is part of the financing for the Cedar/Locust parking/commercial structure.

FEMA– 403 Housing Assistance

The Federal Emergency Management Agency established a fund for the nine-county Bay Area to assist in construction of damaged single-room occupancy and other low and moderate-income housing. Six million dollars in funds from this were received by the County of Santa Cruz, which in turn dispersed two million dollars to three projects in the City of Santa Cruz.

State Sources

California Department of Commerce

The California Department of Commerce, through its earthquake recovery infrastructure match program, has provided the City with financial assistance to construct the Cedar/Locust parking structure. This program provides a direct grant to the City.

Local Sources

Measure E

This six-year, one-half cent sales tax increase is applied throughout the County of Santa Cruz. Measure E provides that the City of Santa Cruz will receive 39 percent of the revenue of this measure, and it is estimated that this will be \$13,000,000 over the term of the tax.

Tax Increment Financing

The City of Santa Cruz, through the merger and expansion of its existing redevelopment project areas, created the Merged Earthquake Recovery and Reconstruction Project. Detailed tax increment projections for the Merged Project will be made to determine the amount of tax

increment revenues to be generated over the term of the project. Initial revenues range in the area of \$800,000 per year and increase thereafter.

Parking District

The Downtown Santa Cruz Parking District was created in 1955 and has provided the financial basis for the reconstruction of the City's existing Off-Street Parking District. Revenues for the Off-Street Parking District are derived from parking meter and parking deficiency taxes. Revenues from the parking district have been severely diminished as a result of the earthquake, which created a large drop in revenue from the parking deficiency tax. The parking district has contracted for a study to develop a long-term financial strategy to assist in increased parking management and development in the downtown area. The report will recommend increases in the parking deficiency fee, sufficient to implement the proposed program.

Downtown Promotion District

The City and the business community have joined to create a Downtown Promotion district. This District is presently involved in developing an overall strategy for the improved marketing and promotion of the downtown area. This District, in 1990, increased its Promotion District fees and now has reached a funding level of \$110,000. As the downtown area continues to develop, it will continue to study these fees to ensure that they are sufficient to meet downtown promotion needs.

Private Sources

Private Foundation Assistance

The Redevelopment Agency and the City have been very aggressive in seeking private foundation assistance. Today, this assistance has taken the form of several grants to assist the Vision Santa Cruz nonprofit corporation in its work on preparing the Downtown Recovery Plan. Additional grants will be sought from other groups as part of an overall promotion program for the City of Santa Cruz.

Private Financing – Financial Institutions

The credit market nationally has experienced severe contractions as a result of both a downturn in the national economy and the costs of the savings and loan bailout. Banks now required large equity positions and other forms of securities as part of financing packages for private, commercial, and residential construction. The Redevelopment Agency recognizes this financial state and has attempted to serve as a catalyst in identifying financial institutions which have an active interest in loaning in the downtown area of Santa Cruz. To this end, the Redevelopment Agency has sponsored both a forum and individual meetings between lending institutions and potential developers in the downtown area. While this effort has not changed lending terms, it has helped identify the market potential of downtown Santa Cruz and overcome a certain degree of reluctance to loan as part of a rebuilding project.

Red Cross Housing Funds

The American Red Cross has granted the City of Santa Cruz \$1.5 million to assist in reconstruction of low and moderate-income housing destroyed as a result of the October 17, 1989 earthquake. In response to a Request for Proposals for use of these funds, the City received 24 proposals. A

selection committee screened the proposals and the City Council awarded grants to assist in the reconstruction of the St. George Hotel, the Colonial Hotel, and the Neary Lagoon project. This assistance is in the form of long-term loans and will be recycled in subsequent years as loan repayments are received.

Mello-Roos Financing

The State Legislature, in its post-earthquake emergency session, passed SB27X, which allows for the use of Mello-Roos bonds for post-earthquake commercial reconstruction and retrofitting projects. These bonds would provide long-term financing at fixed rates to private owners to utilize for rebuilding projects. The bonds would be secured by a tax on land and bond proceeds loaned to private land owners to assist in reconstruction. These loans would be repaid similarly to a bank loan. Conditions for bond issuance are similar to those for bank loans, and therefore projects must meet vigorous financial standards. To assist in making this financing mechanism more attractive, the City has actively pursued passage of HR/3560 in the United States Congress. This House bill, introduced by Congressman Fournety Stark, would allow for the issuance of Mello-Roos bonds with a tax exempt status. This status would allow for a bond rate at approximately two percent less than those issued on a taxable basis through former Mello-Roos legislation. Passage of HR/3560 could be an important element in speeding reconstruction in the City's downtown area. The City is actively supporting passage.

Appendices

This Appendix has not been modified from the original 1991 Downtown Recovery Plan.

Appendix 1: The Community Vision Statement

Introduction

Vibrant, vital and active, the central business district constitutes the primary retail, commercial, professional and employment center for the City of Santa Cruz. This compact, high-density area is home to unique businesses, offering residents and visitors a diverse and wholesome environment for commercial, cultural, civic and social pursuits. Local, regional and national businesses combine in a potent blend, making the downtown a major destination for the entire region.

The pedestrian-oriented environment is characterized by convenient access, a garden-like setting, and human-scale buildings. The visual and physical relationships to the San Lorenzo River, the surrounding natural landscape, and Monterey Bay make downtown Santa Cruz among the most beautiful urban places in California. The architecture captures the best of the City's past while integrating new buildings into a coherent and visually appealing downtown. As a result, the area strikes a balance between a successful modern business center and an environmentally attractive and active public place.

This effective combination is the focus of Santa Cruz public life and is a central element in the community's identity. Downtown is safe and clean. It is a multicultural place, attracting all sectors of the community and serving as a meeting place for children, students, elderly, office workers, retailers, shoppers and visitors, as well as those living in the downtown and surrounding neighborhoods. Restaurants, cultural events and entertainment bring additional life to the area during the evening and nighttime hours.

A range of housing types is integrated into the downtown. This urban-density housing provides both market-rate and affordable units, and expands the immediate market for downtown goods, services and public transportation.

The economic and social vitality of the downtown has a positive effect on the surrounding areas and the entire community. It has restored the heart and soul to an earthquake-shaken town, and once again provides a significant source of tax revenue for the City's general fund.

Activities

As the "living room" of the entire City, downtown offers something for everyone, attracting people of all ages and diverse backgrounds.

Downtown is a vibrant place where merchants thrive because of their ingenuity and enterprise. Each successful business adds to the commercial vitality of the downtown area as a whole and contributes to a setting where other businesses prosper.

Within this center and in the immediately surrounding neighborhoods, there are offices for

government, finance, education and professional services.

Selected areas of the public space are designed to support temporary retail activities such as outdoor cafes, a farmers' market, sidewalk sales, and arts and crafts fairs, as well as community, cultural and entertainment events such as parades, art shows and concerts.

The community is noted for creative cuisine and fine wines. The design of buildings and public spaces takes advantage of the mild climate to encourage outdoor eating places. Restaurants are varied in character and bustling with activity. Restaurants and retail shops that are open in the evening, as well as the wide variety of entertainment and cultural events offered, encourage people to remain downtown into the evening hours.

People who live downtown and in the surrounding neighborhoods help activate the areas as they meet their daily shopping and entertainment needs. The pedestrian environment fosters a warm social climate and nourishes relationships between people. Friends stop and talk. People watch and interact with each other.

Santa Cruz is known as a center for the arts and entertainment. It has an extensive and impressive array of facilities, both public and private, that support creative expression, including art, music, cabaret, concert, theater, film and literature. The downtown area now serves as a focal point for this cultural milieu: the library, a new performing arts center, new theaters and cinema, galleries, museums, lecture halls, as well as offices, studios, and housing provide a cornerstone for the artistic community and many sources of entertainment, enhancing both the commercial and public life of the city.

The intellectual and cultural resources of Cabrillo College, UC Santa Cruz, Santa Cruz High School and other educational institutions are an important presence in the social and public life of the downtown. Community education programs for people of all ages have an expression in the immediate downtown, adding to the vitality of the area.

The dynamic nature of downtown activities and the quality and mix of the merchandise offered attracts people not only from the surrounding neighborhoods, but from the width and breadth of the county and from regions beyond.

Uses

The central business district mixes commercial, civic and residential uses. Their interplay produces a vital, active environment that makes the area a productive and attractive community asset. Residential uses complement the importance of commercial use.

To create a vital, retail environment, there is an effective mix of anchor tenants, specialty shops and eating places. Street-level frontage in the central business district is primarily designated for retail use.

Offices and professional services, located above retail shops and in areas surrounding the central business district, provide a component critical to the success of the retail environment. Employees and clients comprise a large portion of the weekday pedestrian traffic on the street and contribute

to the market for retail businesses. Office space designed to meet the needs of larger businesses is available.

Residential uses in the downtown area provide housing for a range of occupants, including customers and employees of downtown businesses. This presence in the area improves the security of the streets. A mix of housing types is available, including studio and efficiency units; one, two and three-bedroom apartments or condominiums; and units that combine living and working space. Housing is of high quality, well managed and designed to be compatible with the surrounding commercial uses. Housing is dispersed throughout the downtown area, not concentrated in one place.

Housing prices range from low-income to market rate and include both rental and for sale units. Housing is available for senior citizens, first time buyers, university students, faculty and staff, service, retail and professional workers, and other people who seek a high quality urban living environment.

Housing supports and complements commercial activity. Street-level frontage is designed and reserved for commercial uses. Residential projects provide for their own parking needs – either on site, or by buying into the City's parking district. Potential mixed-use conflicts are avoided through careful site planning and design.

Public and Quasi-Public Uses and facilities are carefully integrated into the fabric of the downtown. City and County government centers are conveniently located for pedestrian access from the central business district.

Public-serving facilities such as the Civic Auditorium, the Public Library, the Center for Art and History, and the Performance Arts Center provide important destinations for residents and visitors and contribute to the vitality of the downtown. These uses also serve to reinforce retail uses such as bookstores, music stores, art suppliers and galleries.

Community-serving social services located in the downtown are clustered in small nodes away from the commercial center, with easy access to public transportation.

Parking, Access & Transportation

Clear and effective circulation patterns, convenient parking and public transportation make downtown readily accessible. Rights-of-way have been preserved to allow for future development of mass transit and now support energy-conserving alternative transportation modes. Parking and transportation facilities accommodate disabled access.

Shuttles play a key role, linking remote parking with the major areas in the greater downtown, Pacific Avenue, visitor accommodations on Ocean Street, the Boardwalk and the beach, County and City government centers, as well as the downtown metro center. Although space is available for long-term employee parking, the community has succeeded in providing alternative transportation for downtown employees to free up more space for commercial, retail and short-term parking.

Urban Design

The image of downtown Santa Cruz is rich and complex, distinctive and memorable. Within the central city, new and rehabilitated buildings have developed individual character while retaining the qualities of the historic townscape. The underlying cadence and structure of the built environment continues to express the scale and texture of a pedestrian-oriented main street.

Viewed from the surrounding hills, the downtown area is interesting and picturesque; the predominance of two- and three-story buildings, punctuated by distinctive taller buildings, is enhanced by a generous, but not overpowering, urban landscape. The urban structure is responsive to, and affords selective views from, downtown to the surrounding natural and urban landscape – Pogonip, Graham Hill, and Mission Hill to the north; the San Lorenzo River and Branciforte Bluffs to the east; Beach Hill to the south; and the California Street Bluffs to the west.

The activity center of the downtown occurs at the intersection of Pacific Avenue, the primary commercial shopping street, and Church Street/Locust Street/Cooper Street. These streets provide a civic axis, linking major downtown public facilities, City Hall, the Civic Auditorium and the Public Library to the west, the Center for Art and History, the Performing Arts Center, and the County Government to the east.

The hierarchical structure of the built environment is reflected in the overall composition of the downtown; principal streets and spaces are clearly evident, and the edges of the central commercial area clearly delineated. Transitions from the commercial and civic areas into the adjoining residential neighborhoods are natural, as changes in building heights and landscape character occur as a gradient rather than as abrupt changes.

Within the downtown, the building scale establishes a measure which feels intimate and personal. Building spacing, rhythm and articulation generally reflect the underlying historic patterns, thus reinforcing this human and pedestrian scale.

Although adjacent and neighboring buildings exhibit considerable diversity and variety in expression and character, their interrelationships form a unifying whole through sensitive combining of form, color and materials. Recent buildings respect the integrity of the complement of historically significant buildings.

Silhouettes of taller buildings are characterized by varied configurations, yet are united through scale. These buildings clarify the structure of downtown and define and emphasize important locations, such as entries into the central city, key streets and intersections, public facilities and spaces, without overwhelming or dominating adjacent buildings and outdoor spaces. The unique offset grid street pattern that meets along Pacific Avenue creates a series of focal points for additional, smaller-scale landmark buildings. Each of these landmark buildings adds distinctiveness and identity to the places they help create.

Streets and parking areas are designed to provide ease in pedestrian, bicycle, and motor vehicle movement and circulation, and to achieve a high visual quality.

Attractive parking areas – structures and surface lots – are appropriately located and easily accessible in the downtown. Surface lots are characterized by a strong tree canopy that provides

summer shade, thus improving human comfort. Parking structures relate to the pedestrian scale and incorporate activity-generating uses at the street level. Similarly, the public transit center and other transit nodes are both functional and aesthetically appealing.

Street-level access, conveniently located handicapped parking spaces, and similar design features underscore the City's resolve to create barrier-free access for the disabled community.

Architecture

Care and sensitivity in the design of individual building forms, proportions, materials, and colors contribute to a larger composition which gives the entire downtown a discernable and aesthetically appealing coherence. Massing, rhythm, articulation and other primary building design elements draw on important preexisting relationships and contexts established by the older, distinctive buildings.

Santa Cruz is an exemplar community with respect to resource-conserving architecture. Energy conservation has increasingly influenced the design and construction of buildings. Building forms and technologies, combined with the overall urban design, have made Santa Cruz notable for energy efficiency. The presence of awnings and other sun control devices suggests a community concerned about climate-responsive architecture. Window locations also reveal attention to the importance of natural light in building design.

No single architectural style predominates, although human scale is the common metric. The roofscape features aesthetically appealing treatments of utilitarian necessities such as vents, elevators, shafts and chimneys. The predominance of flat roofs juxtaposed to carefully located pitched roofs and vertical elements add variety, complexity and interest to the built environment. Large areas of undifferentiated facades (building faces), both solid and transparent, are notably absent. Buildings meet the sky with architectural treatments such as cornices, overhangs and trellises that create interest and definition.

Downtown buildings are characterized by high quality materials, good craftsmanship, and sensitive architectural detailing. This quality is also expressed through textures and finishes that give a sense of timelessness and solidity. The play of sunlight on the buildings adds interest and delight through shade and shadow patterns generated by massing, fenestration and decorative features, in addition to the street trees.

Buildings stepped back at upper stories permit additional sunlight to reach into the street and create roof decks and terraces. These outdoor spaces combine with second and third-story balconies, windows, and other human scale features to contribute to the friendly and inhabited feeling of the built environment.

Streetscape

The landscape of downtown contributes to a strong sense of place for the commercial, cultural, and civic core of the city. The native trees that mark the urban reach of the San Lorenzo River complement the dignified, yet delightful, landscape of the city center. Street trees provide summer shade, yet let the winter sun reach into the public space. Flowers and low shrubs add color and

dynamism to the paved areas. In addition to its aesthetic appeal, the landscape enhances human comfort through micro-climate modification and purification of the air.

Building massing and setbacks provide strong boundaries to the public realm, and serve to establish appropriate character for the streets they adjoin. The strong building line and facade plane creates clear and usable public open space. Judicious use of setbacks creates private outdoor space suitable for various commercial activities.

A strong network of well-maintained and managed public and private open spaces provides a distinguishing character for downtown Santa Cruz as a special place for working, shopping, living, and visiting. This network – street space, generous building entries, strategically located courtyards, and a plaza space – is structured within a framework and sequence that is responsive to commercial, social, and civic needs. Public space and the contiguous street-level uses shape activity patterns that support a socially active downtown.

Consistent with a high quality retail environment, sidewalk cafes, street vending, outdoor sales areas, outdoor performance areas and similar human interaction enrich the pedestrian environment, adding excitement and vitality to the downtown experience. These high levels of pedestrian concentration and activity help create informal meeting and conversational places that truly make downtown public space the city's living room.

Larger community events such as outdoor markets, performances and civic celebrations take place in a plaza designed to accommodate such uses through a combination of building setbacks and temporary street closings.

Public amenities such as benches, planters, lighting, street name and traffic sign posts, trash receptacles, public restrooms, bicycle racks, public telephones and information kiosks are functionally and aesthetically integrated into the streetscape. They are central to pedestrian comfort, convenience, and safety. Public art adds to the sensory delight of the streetscape.

Well-designed directional signs and "you are here" maps, consistent with and contributing to the character and quality of building facades, enliven the streetscape and provide important information about goods and services, historical sites, retail and cultural activities, and public facilities. The image, character, form, legibility, and location of signs (pedestrian information, traffic and advertising signs) contribute to the overall aesthetic quality and scale of downtown.

Relationship to Surrounding Areas

The enhanced San Lorenzo River is bordered by a clean, attractive pedestrian promenade. People stroll along the levees enjoying shops, cafes, and outdoor performances. Recreational open space is convenient to downtown residents, employees, shoppers and visitors, further enhancing the Pacific Avenue downtown experience. The river promenade also serves as a key transportation link; walking and bike paths connect the governmental centers, downtown shops and offices, and the beach and Boardwalk. As an integral part of the downtown, the river itself provides an important amenity for restaurants, attractive new housing and open space uses.

The city's beaches and wharf are a major tourist destination. First-rate conference facilities and nearby hotels and motels provide a range of services and accommodations for overnight and

extended-stay visitors. Foot and bike paths, combined with frequent shuttles, link this vibrant tourist area to downtown retail, office, housing and cultural facilities, strengthening the economic health of both areas. Conference facilities serve to promote off-season visitors, further strengthening the local economy.

Downtown rebuilding has not undermined the integrity of the existing neighborhoods adjacent to the downtown. New construction has added to the housing stock of the area without overwhelming either the surrounding established neighborhoods (with their characteristic greenery) or downtown businesses and offices.

The downtown core is a delightful and convenient place for local residents and visitors to shop, recreate and pursue cultural activities. The surrounding neighborhoods bring life to the area and contribute to the vitality of downtown. An increased number of office and retail workers reside in the downtown, allowing them to contribute to a lively and pleasant urban environment.

UC Santa Cruz has become a fuller partner with the greater community. Downtown businesses recognize the important role University students, faculty and staff have in the marketplace, and many businesses cater specifically to the University population. The University, on the other hand, contributes directly to the downtown through faculty and student housing projects, and satellite classroom facilities. Collaboration between the University and the community has improved the availability of cultural and performance facilities. Downtown is increasingly a destination for students, staff and faculty.

This Appendix has not been modified from the original 1991 Downtown Recovery Plan.

Appendix 2: The Downtown-Beach Link

Each summer season, thousands of visitors come to Santa Cruz to enjoy the boardwalk amusements and the sandy beach facing Monterey Bay. Although less than one mile to the south, the beach is separated from the downtown by topography (Beach Hill) and a road pattern that is indirect and confusing. As a result, many beach visitors have little knowledge that downtown Santa Cruz exists and, when the sun subsides, look elsewhere for their after-beach entertainment.

While downtown Santa Cruz must continue to depend primarily on local residents for its economic health, increased patronage from beach visitors will only help to reinforce the commercial vitality of the area. The strong local character or "personality" of Pacific Avenue can be an attractive draw to visitors who, in a recreational mode, are looking for unfamiliar diversions that provide new experiences. Conversely, the revitalization of the Beach could introduce new activities that would be more attractive to the local resident or patron of the downtown. The creation of complementary activities in both the downtown and the beach area would provide the strongest linkages between the two areas. The following strategies are aimed at strengthening these linkages:

Pacific Avenue as a Food and Entertainment District

One of the most attractive opportunities for such an activity linkage is the enhancement of Pacific Avenue as a food and entertainment district. Most of the "raw ingredients" already exist to achieve this: a strong resident and student population; a benign climate ideal for outdoor dining throughout most of the year; and numerous clubs, restaurants and cafes that have already established a local and regional reputation. These attributes should be capitalized upon in the design of Pacific Avenue and in the recruitment of new businesses. Outdoor dining opportunities should be maximized to fulfill the great demand, and to reinforce the image and identity of downtown Santa Cruz as an active and bustling entertainment center.

A Hotel-Conference Center at the Beach

Just as visitors to the Beach could be given more reason to enjoy downtown Santa Cruz, residents and employees of the downtown could be attracted to the Beach more frequently if there were activities there that had a stronger local orientation. While the restaurants along the wharf provide an attractive destination and local hotels are used for meetings and social events, the beach area is still very much removed from the daily life of the downtown resident or employee. A landmark business-resort hotel and conference center at the beach could reinforce the downtown-beach activity linkage by providing the community with a new meeting place; at the same time, such a facility would be attractive as a regional beach-oriented destination and provide the beach area with a stronger "critical mass" and focus that would serve to enhance its overall image and identity.

Improving Transit Linkages Between the Beach and Downtown

Making the downtown and beach more accessible to one another is a critical factor in achieving a strong linkage. Because of limited parking facilities and streets that are congested during the peak summer season, a transit connection offers the best opportunity to improve the linkage between the two areas.

Ideally, a fixed rail trolley car with historic and recreational appeal is preferable to attract riders and to make the trip part of the enjoyable experience of coming to the beach. The car should be open in nature to maximize the outdoor experience; transit stops should be carefully planned in relation to major destinations (e.g., the wharf, parking facilities, the boardwalk, the future hotel/conference center, the Metro Center, etc.); and headways should be sufficiently frequent to promote a strong feeling of convenience.

Street design and traffic operations should be planned to allow the most direct fixed rail connection between the downtown and the beach; as discussed in the circulation element of this Plan, a route that loops within the Beach Area (along Beach, Riverside, Second and Front Streets) and within the downtown along Pacific Avenue and Cedar Streets is recommended.

In the more immediate term, a rubber-tired trolley vehicle that could circulate on the same route is recommended. While this vehicle would not have the same level of appeal as a fixed rail trolley, it would be a much more friendly and accessible alternative to the conventional (and hermetically sealed) city buses that currently provide shuttle service between the beach and the downtown. The implementation of a recreational transit shuttle could be undertaken by the private sector, the Downtown Association and/or the Transit District.

Consideration should also be given to the enhancement of recreational rail service along the existing Southern Pacific rail line between Felton and the Beach, passing immediately to the west of downtown along Chestnut Street. Pedestrian linkages between the downtown and a transit stop at Chestnut Street could be enhanced along Church Street, through the use of signage or a shuttle service.

Improving Pedestrian and Visual Linkages

Currently, the downtown and Beach are separated by a relatively unfriendly pedestrian environment. With the future redevelopment of the South of Laurel area and the implementation of proposed improvements along the San Lorenzo River, the pedestrian experience can be significantly enhanced through landscaped walkways and streets, and activities that promote a strong sense of interest and security.

Pedestrian linkages should provide the most direct and understandable routes between the beach and the downtown. Four specific linkages are recommended for enhancement. The riverfront promenade, as planned, will provide a strong linkage between the beach boardwalk, the Metro Center, and the proposed east-west pedestrian connections to Pacific Avenue along Cathcart and Cooper Streets.

Cliff Street visually terminates at the Coconut Grove, bisects the Beach Hill neighborhood, and connects by stair to the "River Bend" area at Laurel Street; it offers the pedestrian an interesting and attractive alternative to the riverfront promenade. This linkage could be significantly enhanced with a strong landscape treatment (e.g., palms) that visually emphasizes the axis to the beach and Coconut Grove, and that is more hospitable to the pedestrian; improvements to the historic stair, including a lookout and more provisions for public seating, could also be made. The stair linking Third Street on Beach Hill with the foot of Pacific Avenue also provides a major opportunity for enhanced pedestrian linkages.

Pacific Avenue, as it extends southward through the South of Laurel area, should also be enhanced as a strong pedestrian connection; the same landscape treatment as proposed for the downtown portions of Pacific Avenue should be extended to the Front Street intersection, to signal the entry to the downtown area and to strengthen Pacific Avenue as the central spine of the area; ground-level activities along Pacific Avenue should be public and pedestrian oriented. The pedestrian environment between the Pacific-Front intersection and the wharf should also be enhanced, with consistent street trees and generous sidewalk area for promenading. This linkage could be part of a larger visual system along Front Street, directing traffic and pedestrians to the beach. The use of palms along Front Street would be evocative of the beach, creating a strong visual route and an attractive edge to the downtown district.

Cedar and Center Streets should also be maintained as pedestrian linkages between the West End neighborhoods of downtown and the Beach.

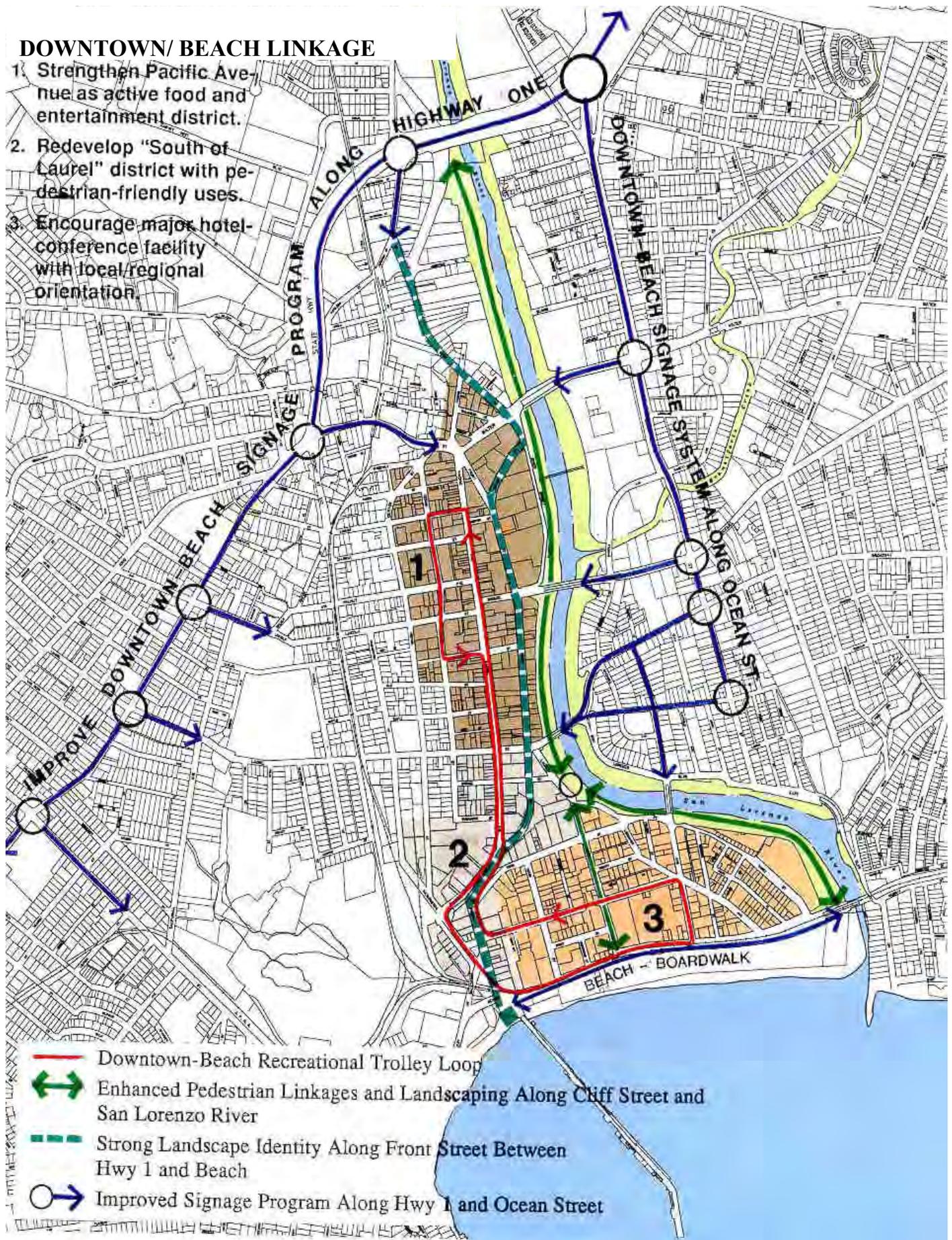
Giving the Visitor a Stronger Sense of Orientation

Vehicular and pedestrian access to the beach and downtown can be achieved in a multiplicity of ways. A strong system of signage should be established to better orient the motorist and the pedestrian arriving in the city or moving about it. A consistent and visually coordinated system of signs incorporating strong graphic symbols for the beach and the downtown will give the visitor a better geographical orientation and increase the likelihood of joint visitation. While beach traffic need not be routed through the downtown, the motorist can be given a clear idea of where the downtown is and how to get to it when the beach experience is completed.

Even more effective than signage is the preservation and enhancement of views to the downtown from key entry points (e.g., from River and Front Streets to Pacific Avenue or from the Broadway Bridge north to the downtown). The creation of a more intensive downtown core with the potential for some additional height will offer a stronger visual sense of the downtown; glimpses of activities along Pacific Avenue (e.g., from Mission and Water Streets at the Town Clock) will also give the passing motorist a quick and effective visual picture of the downtown and its attractions.

DOWNTOWN/ BEACH LINKAGE

1. Strengthen Pacific Avenue as active food and entertainment district.
2. Redevelop "South of Laurel" district with pedestrian-friendly uses.
3. Encourage major hotel-conference facility with local/regional orientation.



Appendix 3: Sign Regulations

Sign Regulations have been moved to Chapter 24 of the Zoning Ordinance.

This Appendix has not been modified from its adoption to the Downtown Recovery Plan on September 26, 2000.

Appendix 4: Downtown Retail Strategic Plan

RESOLUTION NO. NS-25,084

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
ADOPTING THE
DOWNTOWN RETAIL STRATEGIC PLAN
ATTACHED AS EXHIBIT A TO THIS RESOLUTION,
AND DIRECTING CITY STAFF TO PREPARE AN IMPLEMENTATION PROGRAM FOR
THE STRATEGIC PLAN
WHICH WOULD BE PRESENTED TO THE CITY COUNCIL
FOR THEIR CONSIDERATION FOR ADOPTION
AS PART OF A COMPREHENSIVE REVITALIZATION EFFORT
FOR THE DOWNTOWN.

WHEREAS, in the wake of the October 1989 Loma Prieta earthquake which virtually decimated the City’s Central Business District, the City of Santa Cruz, pursuant to a lengthy and inclusionary public participatory process, developed a Downtown Recovery Plan, the purpose of which was to provide a coherent framework for public and private actions related to the rebuilding of downtown Santa Cruz in the wake of the earthquake and to establish policies, standards and guidelines to direct the recovery process toward the rebuilding of a downtown that would meet multiple community objectives. The Plan was adopted in September 1991 and later amended in April 1993; and

WHEREAS, the “community vision” for the Central Business District (CBD), as articulated in the Downtown Recovery Plan, was a vibrant, vital and active CBD which would constitute the primary retail, commercial, professional and employment center for the City of Santa Cruz and would be developed as a high density area which was the home to “unique” businesses offering residents and visitors a diverse, authentic and welcoming environment for commercial, cultural, civic and social activities. As envisioned, these community-based objectives would be advanced by a blend of smaller, medium and larger-sized businesses and by a blend and balance of local, regional and national businesses in the CBD; and

WHEREAS, over the past ten years the CBD has developed incrementally and is currently a healthy, attractive and pleasant mixed use neighborhood that functions well as: A place of entertainment and culture; a local government center; a ceremonial gathering place; a daytime employment center; and a casual or informal gathering place. The Downtown reflects a scale and density, and features streetscape amenities that are pedestrian-friendly, while accommodating vehicular and bicycle parking, and providing a diverse set of shopping/entertainment and public gathering experiences. The Downtown is remarkable for reflecting a unique “Santa Cruz” style or “authenticity”—featuring many independent retailers and unique goods and services. The Downtown has a very strong base from which to further energize the district and enable it to fulfill the vision and goals of the Recovery Plan; and

WHEREAS, the Downtown does experience “leakage” of income to other commercial areas of the City and County whereby residents of the City and workers of the Downtown cannot find the goods and services they desire in the Downtown District and seek out these goods and services elsewhere in the County or travel to Santa Clara County for their shopping needs; and

WHEREAS, the Downtown could benefit from the introduction of specific types of retailers to provide the critical mass needed for the Downtown to become a successful and stable shopping destination and to “round out” or balance the visitor’s, resident’s and worker’s shopping experience and fulfill some of their unmet shopping needs, thereby reducing the loss of tax dollars and other income to Downtown merchants (“economic leakage”) and reducing congestion and concomitant air quality and quality of life degradation associated with this travel outside of the City for shopping needs; and

WHEREAS, additional building and streetscape design standards are needed to insure an attractive physical environment to house those activities and to avoid some unintended consequences of the current regulations; and

WHEREAS, the Downtown could benefit from additional market rate housing, both rental and ownership, to create a “24-hour” downtown, further supporting the retail sector and housing some Downtown workers, thereby reducing commute traffic and parking congestion; and

WHEREAS, the Downtown could benefit from a new, comprehensive revitalization strategy, called the Downtown Retail Strategic Plan, attached as Exhibit A to this Resolution, which would include four symbiotic elements: (1) Regulation, (2) Incentives for targeted business establishments, (3) Proactive Recruitment and (4) On-going Marketing and Maintenance; and

WHEREAS, the Regulation strategy of this Retail Strategic Plan includes a variety of zoning tools including: (1) identifying principal permitted uses, discretionary or conditional uses, limited or controlled uses and prohibited uses; (2) establishing special use review procedures and criteria for large-space ground floor retail establishments; (3) establishing “good neighbor” operating procedures for certain uses; (4) establishing building height and scale limits, setbacks, and architectural design and treatment standards; (5) establishing streetscape design treatments as standards and guidelines, including landscaping, lighting, signage, displays, and sidewalk furniture and which are included within a companion set of Zoning Ordinance amendments identified as Ordinance No. 2000-20; and

WHEREAS, an Incentive strategy of the Downtown Retail Strategic Plan includes a variety of zoning tools and City interdepartmental coordination strategies and financing which would be pursued; and

WHEREAS, The Strategic Plan recommends an aggressive, proactive Recruitment program to identify specific types of retail establishments that would contribute to an effective, efficient, balanced and authentic shopping district for residents, workers and visitors; and actively recruit such establishments to locate within the District; and

WHEREAS, the Strategic Plan recommends an on-going Marketing and Maintenance program for the District; and

WHEREAS, the Planning Commission on August 10, 2000 recommended to the City Council adoption of the Downtown Retail Strategic Plan as well as the proposed amendments to the Zoning Ordinance; and

WHEREAS, in making these recommendations, the Planning Commission found the proposed Zoning text and map amendments and Strategic Plan to be consistent with the findings of the 1991 Final Environmental Impact Report (FEIR) on the Downtown Recovery Plan and with Section 15168 of the California Environmental Quality Act and determined that these actions would more effectively translate the FEIR-stated mitigation measures into more specific implementation measures; and

WHEREAS, in light of the foregoing considerations, the City Council has determined that the public necessity and general welfare and good zoning practice shall be served and furthered and the welfare of the City's residential and business community, as articulated by the principles upon which the Downtown Recovery Plan is premised, will be well-served and advanced by endorsing the Downtown Retail Strategic Plan and by directing staff to prepare an implementation program for the Downtown Retail Strategic Plan for Council's consideration for adoption; and

WHEREAS, the City Council has determined that the actions set forth in the proposed Downtown Retail Strategic Plan and any associated Downtown Recovery Plan or Zoning Ordinance amendments, do not alter the scope of development anticipated in the July 1991 Downtown Recovery Plan, will not foreseeably serve to alter impacts of that development which were fully analyzed in the Downtown Recovery Plan Program Environmental Impact Report certified by the City Council in July 1991, and the initial environmental analysis of the Strategic Plan and its findings of no significant impact is consistent with Section 15168 of the California Environmental Quality Act; and

WHEREAS, the Council has determined that the regulations in the proposed zoning amendments and the implementing actions of the Strategic Plan do not substantially change the Downtown Recovery Plan project and there have been no substantial changes in the environmental circumstances under which the Downtown Recovery Plan was adopted and which the Downtown Recovery Plan Program Environmental Impact Report analyzed that would require further environmental review for the regulations set forth in the proposed ordinance; and

WHEREAS, there is no new information of substantial importance which was not known, or could not have been known, as of the time the Downtown Recovery Plan Program Environmental Impact Report was certified that would require further environmental review for the regulations set forth in the proposed ordinance. Accordingly, no further environmental review over and above the review which was conducted in the certified Downtown Recovery Plan Program Environmental Impact Report is required as a prerequisite to endorsement of the Downtown Retail Strategic Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that the City Council hereby adopts the Downtown Retail Strategic Plan, attached as Exhibit A to this Resolution, and directs City staff to prepare an implementation program for the Downtown Retail Strategic Plan which would be presented to Council for consideration for adoption as part of a comprehensive revitalization effort for the Downtown.

PASSED AND ADOPTED this 26th day of September, 2000 by the following vote:

AYES: Councilmembers: Fitzmaurice, Beiers, Rotkin, Hernandez, Mathews, Krohn;
Mayor Sugar.

NOES: Councilmembers:

ABSENT: Councilmembers:

DISQUALIFIED: Councilmembers:

APPROVED _____
Mayor

ATTEST: _____
City Clerk

Attachment A to City Council Resolution No. NS-25,084

Resolution of the City Council of the City of Santa Cruz adopting this Downtown Retail Strategic Plan and directing City staff to prepare an implementation management and monitoring program for the Strategic Plan which would be presented to the City Council for their consideration for adoption and funding as part of a comprehensive revitalization effort of the Downtown.

Santa Cruz Downtown Retail Strategic Plan

September 2000

INTRODUCTION

The City of Santa Cruz's downtown area was severely damaged by the 1989 Loma Prieta earthquake. Following the earthquake, the City undertook a comprehensive "visioning" planning process involving numerous meetings of various stakeholders of the downtown. The results of this visioning planning process culminated in the development of a comprehensive program to rebuild and revitalize the downtown. It has been 9 years since the adoption of the Downtown Recovery Plan and the beginning of this redevelopment process and the City Council feels it is time to reassess the strategies presented in the Downtown Recovery Plan (DRP) to see how well they have done and what amendments, if any, may be needed to respond to current market trends and community values. One of the current concerns is the type and size of retail activity that has located, is locating, or should locate at the ground floor level of the downtown. This study focuses on the downtown retail activity and creates an updated retail strategy intended to strengthen the pedestrian-friendly environment therein.

The reassessment of the DRP is designed to reaffirm the community vision of the downtown as a vibrant, vital and active Central Business District (CBD), constituting the primary retail, professional and employment center for the City of Santa Cruz as well as its central gathering place and entertainment/cultural center. In addition, this process is intended to confirm existing strategies or create new ones to ensure the downtown's vitality.



Initial evaluation of downtown Santa Cruz indicates that the downtown is a healthy, attractive and pleasant mixed-use neighborhood that functions well as a place of entertainment and culture, a local government center, a gathering place, a daytime employment center, and a retail destination for residents, workers and visitors. The downtown reflects an appropriate scale and density, and features streetscape amenities that are pedestrian-friendly, accommodates adequate vehicular and bicycle parking, and provides diverse shopping, entertainment and public spaces. One of the challenges of the district is to create a "24 hour" neighborhood with more housing and more destination retail uses to create the kind of weekday and evening and weekend foot traffic needed to sustain local retailers.

Most importantly, the downtown is remarkable for reflecting a unique authenticity, a "Santa Cruz style", featuring many independent retailers and unique goods and services. The downtown has a very strong base from which to further energize the district and enable it to fulfill the community's goals and visions for the downtown.

If downtown Santa Cruz is to capitalize on its assets and address its challenges, the community must take strategic actions. Santa Cruz residents, downtown business leaders, elected officials, city representatives and community workers have worked together to produce a preliminary strategy for achieving the goal of a vital, diverse and unique downtown. This strategy for downtown includes design standards, regulations for retail uses, incentives to attract targeted businesses to the downtown and district-wide marketing and management strategies.

PLANNING PROCESS

In January 2000, the City Council asked the Planning Department and Redevelopment Agency to undertake a Downtown Assessment to evaluate the status of retail activity in the downtown and review the effectiveness of the 1991 Downtown Recovery Plan's development standards and guidelines that have shaped the downtown for nearly ten years. The result of the Downtown Assessment is a recommended strategic plan for downtown retail activity.

This strategic plan was developed through a process of public forums and City Council work sessions, community and market surveys, and extensive research by City staff of strategies other similar-size cities have adopted. Steps in the planning process include:

- Urban design/physical assessment of the downtown Central Business District
- Retail development assessment
- Community surveys
- Two Council work sessions
- Downtown Symposium with retail and downtown revitalization experts
- Land use focus group
- Survey of comparable cities strategies for revitalization

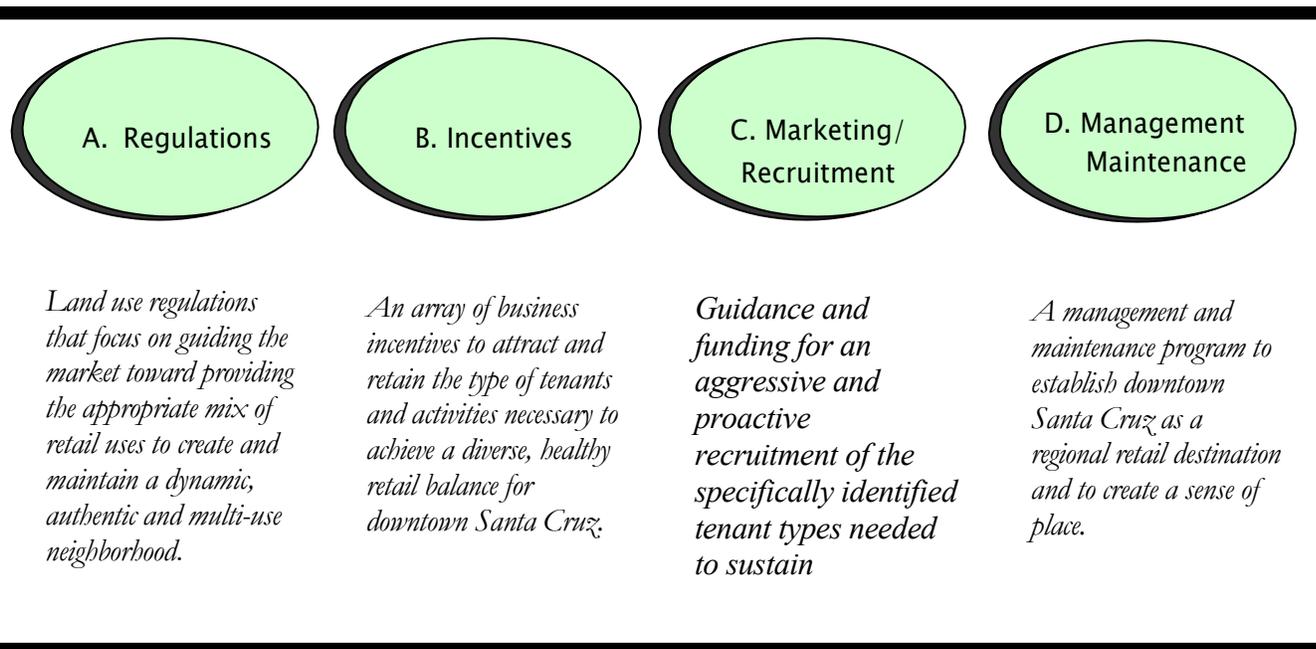
As a result of this planning process, several dominant themes for downtown Santa Cruz have emerged. Citizens of Santa Cruz have identified a vibrant, vital and active downtown with a strong and diverse retail presence and a unique "identity" as a priority for the City. Downtown Santa Cruz should include a mix of uses, including local, independent retail businesses that serve residents, workers and visitors to the district.

Additionally, a primary goal for the downtown is to create and maintain a unique sense of place, and to ensure that the downtown is a destination point for people to enjoy retail, entertainment and public uses. A vision for a successful downtown includes the following goals:

- Maintain Authenticity/ Uniqueness/ Vitality
- Create a Welcoming Sense of Place
- Strengthen Economic Health and Vitality
- Retail Local Control
- Create an Inclusive Environment
- Maintain Legal Defensibility and Equity with the Ability to Implement the Strategies

STRATEGY FRAMEWORK

Each strategy for creating a strong retail environment has been organized and included in a Strategy Framework. The Strategy Framework identifies the strategic tasks, which will be most instrumental in achieving the goals and vision for the downtown. These categories provide a structure for addressing issues and catalyzing implementation of the strategies for downtown Santa Cruz. (These overarching strategies are described as specific actions in the Strategic Action Table)



These strategies implemented in conjunction with each other can be used to create a proactive, four-pronged approach to downtown revitalization that will help achieve the goals and visions for the downtown and ensure continued vitality while maintaining its authenticity.

SANTA CRUZ DOWNTOWN RETAIL STRATEGIC ACTION TASKS

Regulation

Goal: Establish land use regulations for uses in downtown Santa Cruz (Central Business District—CBD) to ensure that the uses allowed contribute to a vital, diverse and unique downtown that reflects the retail preferences of the CBD residents, workers, and visitors and the citizens of Santa Cruz.

Strategy/Action	Time Frame Short = < 1 yr. Med = 1 – 3 yrs. Long = > 3 yrs.	Potential Funding Sources
A1. Require a Special Use Permit (SUP) for all ground floor uses over 16,000 SF.	S	Development fees
A2. Prohibit specific uses not desired in the downtown.	S	City
A3. Create a guideline for the balance between local, independent and national, regional stores in the downtown; this guideline to be used to measure the appropriateness of allowing ground floor uses of over 16,000 square feet during the SUP review process.	S	City
A4. Control the behavior of nightclubs and fast food establishments by requiring “good neighbor” operating procedures.	S	City
A4-1. Require all national and regional stores, which utilize “trademarked” architecture to meet the downtown design standards.	S	Development fees
A4-2. Ensure that the design for the exterior of the store and the signage are in conformance with established design criteria.	S	City, Development fees
A4-3. Encourage new store management to actively participate in programs and policies established for the downtown.	S	City, Development fees
A5. Require Design Permits for major façade improvements.	S	Development fees
A5-1. Revise the current ordinance requiring a Design Permit for façade improvements over \$50,000 to require a Design Permit for improvements over \$10,000.	S	City
A5-2. Convert certain storefront and building façade Design Guidelines to Design Standards, and create new ones, to assist in achieving higher quality design.	S	City
A5-3. Ensure that there is code enforcement for non-	S, Ongoing	City

Strategy/Action	Time Frame Short = < 1 yr. Med = 1 – 3 yrs. Long = > 3 yrs.	Potential Funding Sources
conforming storefronts and façades.		
A6. Evaluate fees to reflect relative contributions to maintenance of infrastructure and amenities for new housing, retail and office uses.	M	City
A6-1. Prepare a “nexus” study to determine the demand for housing and impact on existing housing generated by new office development in the CBD.	M	City
A7. Provide permitting assistance upon submittal of a ground floor retail tenancy plan for new buildings.	M	City, private funds

B. Incentives

Goal: Utilize a range of incentives to entice desired uses to locate and remain in downtown Santa Cruz.

Strategy/Action	Time Frame Short = < 1 yr. Med = 1 – 3 yrs. Long = > 3 yrs.	<u>Potential Funding Sources</u>
B1. Develop a list of targeted uses and specific business types for recruitment into the downtown, based on economic and market data.	S	City
B2. Provide assistance in parking district fees for targeted establishments for a period of up to three years.	M	RDA
B3. Provide storefront and façade grants to targeted new existing establishments.	M	RDA
B4. Provide low interest loans for façade improvements to targeted new establishments.	M	RDA, private financial institutions
B5. Provide marketing, retailing and businesses assistance to existing retail establishments and desired new retail uses.	M	RDA, private funds
B6. Provide permitting assistance for targeted businesses locating within CBD.	S	City

C. Targeted Marketing and Recruitment

Goal: Create a welcoming, attractive and diverse downtown environment which attracts quality local retail, dining and entertainment uses and establishes the downtown as a unique destination point for Santa Cruz residents, workers and visitors.

Strategy/Action	Time Frame Short = < 1 yr. Med = 1 – 3 yrs. Long = > 3 yrs.	Potential Funding Sources
C1. Adopt a mission statement for the downtown retail, dining and entertainment recruitment/ retention programs.	S	N/A
C2-1. Confirm a palette of desired retail uses for the downtown to create the appropriate “critical mass” that will establish the downtown as a retail and entertainment destination.	S	N/A
C2-2. Conduct a search within the City and the County to identify potential types of retailers that would provide quality merchandising while maintaining the unique character of downtown.	Ongoing	RDA, Private funds
C2-3. Work with local property/building owners to match potential retail uses with available spaces in the CBD.	Ongoing	RDA
C2-4. Establish an outreach team of local officials, merchants and community members working with the brokerage community to entice prospective retailers to consider locating in downtown Santa Cruz.	S	N/A
C3. Create a “brand” or identifying logo/visual image and character statement for the downtown, and use it to advertise and promote the downtown as a destination point.	S/M	Private funds

D. Promotion and Management

Goal: Establish downtown as a well-identified and well-known district and a unique destination point and maintain the district’s amenities through coordinated management practices and regular maintenance of infrastructure.

Strategy/Action	Time Frame Short = < 1 yr. Med = 1 – 3 yrs. Long = > 3 yrs.	<u>Potential Funding Sources</u>
D1. Create an enhanced signage program to identify where the downtown is located, and how to get there, from various key entry points to the City and from other destinations within the City (such as the Beach).	M	City, RDA
D2. Establish a visual identity for the downtown with gateway designators and banners.	S/M	RDA, City, private funds
D3. Create additional signage at the entries to the city that give direction of downtown and downtown parking resources.	S/M	RDA, City, private funds
D4. Enhance the public and private landscape quality within the downtown.	S/M	RDA, City, private funds
D5. Enhance maintenance in the downtown; invest in infrastructure.	S/M	RDA, City, private funds
D6. Coordinate common advertising and promotional fliers.	S	RDA, City, private funds
D7. Coordinate promotional events with the opening of the new garage.	S	City, private funds
D8. Promote additional events within the downtown.	Ongoing	City, private funds

Appendix 5: Floor Area Ratio

This Appendix has been deleted due to the Floor Area Ratio being incorporated into the Regional Visitor Commercial land use designation of the General Plan 2030.

Appendix 6: Additional Height Zone C

This Appendix has been deleted because the Additional Height Zone C is now part of the Additional Height Zone A.

Appendix 7: Live Entertainment

This Appendix has been deleted because the Live Entertainment regulations are located in the Zoning Code and other references to allowed downtown uses are located in the beginning of Chapter 4 of this Downtown Plan



PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Insurance Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Chicago Title Insurance Company, a Florida corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Chicago Title Insurance Company

By:

President

Attest:

Secretary

Countersigned By:

Authorized Officer or Agent



Visit Us on our Website: www.ctic.com



ISSUING OFFICE: 50 Winham Street, Salinas, CA 93901

FOR SETTLEMENT INQUIRIES, CONTACT:

Chicago Title Company
1676 N. California Blvd., Suite 117 • Walnut Creek, CA 94596
• FAX

***Another Prompt Delivery From Chicago Title Insurance Company Title Department
Where Local Experience And Expertise Make A Difference***

PRELIMINARY REPORT

Update B

Title Officer: Maryrose Mancha
Email: mancham@ctt.com
Title No.: FWMN-TO18000534-MM

Escrow Officer: Laurie Balding-Smith
Email: Luie.rochin@ctt.com
Escrow No.: 36300993-363-LB

TO: Chicago Title Company
1676 N. California Blvd. #117
Walnut Creek, CA 94596
Attn: Laurie Balding-Smith
Ref. No.: 36300993-363-LB

PROPERTY ADDRESS(ES): 524-538 Center Street, Santa Cruz, CA

EFFECTIVE DATE: June 7, 2021 at 07:30 AM

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Policy 1990 (04-08-14)
ALTA Loan Policy 2006

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Rector, Churchwardens and Vestryman of Calvary Church, a religious corporation

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 005-148-12, 17, 18 ALL PARCEL I and 005-148-21, 22 ALL PARCEL II

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA CRUZ, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

All of Lot 7 and a portion of Lot 6, in Block 12, as shown upon that certain map entitled "Official Map A of the Town of Santa Cruz" and more particularly described as follows:

Beginning at a station located on the South side of Lincoln Street as shown on the aforementioned map said station being located at the Northwest corner of Lot 6 in said Block 12, also known as the Lands of A. Trust; thence along the South boundary of Lincoln Street South 76° 50' West 237.34 feet to the Northwest corner of said Lot 7, said station also being located on the East boundary of Center Street as shown on the aforementioned map; thence along the East line of Center Street South 11° 55' East 243.21 feet to a station located at the Southwest corner of said Lot 7; thence along the South line of said Lot 7 and the North line of Lot 10 in said Block 12, also known as Lands of W.F. Waterman as shown on the aforementioned map, North 76° 50' East 243.38 feet to a station located at the Southeast corner of that certain parcel of land conveyed by Santa Cruz County Title Company, a corporation, to the Rector, Churchwardens, and Vestryman of Calvary Church by Deed recorded July 3, 1946 in Volume 526 of Official Records at Page 19, Santa Cruz County Records and as corrected by Deed recorded July 10, 1946 in Volume 665 of Official Records at Page 259, Santa Cruz County Records; thence along the East boundary of said lands conveyed to said Calvary Church being the West line of Cedar Street North 11° 31' West 243.21 feet to a station located on the South boundary of Lincoln Street and the North boundary of said Lot 6; thence along the South boundary of Lincoln Street and North boundary of Lot 6 South 76° 50' West 9 feet to the point of beginning.

APNS: 005-148-12; 005-148-17; 005-148-18

PARCEL II:

Being shown on Official map of the Town of Santa Cruz, as Lot 10, in Block No. 12 and bounded as follows:

Beginning on the East side of Center Street at the Southwest corner of Lot 7; thence along the South boundary of Lot 7, North 76° 50' East 241.89 feet, more or less, to Cedar Street; thence along the West side of Cedar Street, South 10° 50' East 108.44 feet, more or less, to the corner of Lot 14; thence along the North boundary of Lots 14, 13, 12 and 11, South 76° 20' West 239.84 feet, more or less, to Center Street; thence along the East side of said Street North 11° 55' West 110.68 feet, more or less, to the place of beginning.

EXCEPTING THEREFROM all that portion conveyed to the City of Santa Cruz, a municipal corporation, by Grant Deed recorded March 14, 1963, in Book 1528, at Page 146, Official Records of Santa Cruz County.

APNS: 005-148-21; 005-148-22

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2021-2022.
2. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
3. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District (CFD) as follows:

CFD No.: Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1
For: Libraries
Disclosed by: Notice of Special Tax Lien
Recording Date: August 18, 2016
Recording No.: 2016-0030573 of Official Records

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the County of Santa Cruz. The tax may not be prepaid.

Further information may be obtained by contacting: County of Santa Cruz

4. A notice that said Land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document

Recording Date: June 8, 2007
Recording No.: 2007-0031871 of Official Records
Redevelopment Agency: Merged Earthquake Recovery and Reconstruction Redevelopment Project

5. Matters contained in that certain document

Entitled: Memorandum Of Option Agreement
Dated: March 10, 2020
Executed by: Rector, Wardens and Vestry of Calvary Church and Pacific Union Partners Inc.
Recording Date: May 22, 2020
Recording No.: 2020-0017768 of Official Records

Reference is hereby made to said document for full particulars.

EXCEPTIONS
(continued)

6. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled: Memorandum Of Option Agreement
Landlord: Rector, Wardens and Vestry of Calvary Church, a California non-profit religious corporation
Tenant: Pacific Union Partners, a California corporation
Recording Date: May 22, 2020
Recording No.: 2020-0017758 of Official Records

7. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

8. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the church named below.

Name of Church: Calvary Church

- a. Proof of incorporation from the state or other place of incorporation.
- b. A copy of its discipline, by-laws or other regulations authorizing real estate transactions.
- c. A copy of the resolution authorizing the purchase, sale or encumbrance of real property and designating appropriate officers to represent the church.
- d. A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

EXCEPTIONS
(continued)

9. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately.

In order to close this pending transaction, we will need the following information:

1. Completion of the attached Owner's Declaration
2. Completed Escrow Owner Information Sheet
3. A statement from escrow providing the complete name of the account that proceeds are going to.

The Company reserves the right to add additional items and/or make further requirements after review of the requested documentation.

10. The Santa Cruz County Recorder does not allow white out or correction tape on any documents. Should there be corrections to be made, please contact the Title Officer for assistance.

END OF EXCEPTIONS

NOTES

Note 1. Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

Tax ID No.: 005-148-17(portion Parcel I)
Fiscal Year: 2020-2021
1st Installment: \$235.75
2nd Installment: \$235.75
Exemption: \$0.00
Land: \$98,520.00
Improvements: \$122,193.00
Personal Property: \$0.00
Code Area: 01-031

Note 2. Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

Tax ID No.: 005-148-18 (portion Parcel I)
Fiscal Year: 2020-2021
1st Installment: \$670.23
2nd Installment: \$670.23
Exemption: \$0.00
Land: \$98,518.00
Improvements: \$52,624.00
Personal Property: \$0.00
Code Area: 01-020

Note 3. Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

Tax ID No.: 005-148-21(portion Parcel II)
Fiscal Year: 2020-2021
1st Installment: \$863.19
2nd Installment: \$863.19
Exemption: \$0.00
Land: \$81,779.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 01-031

Note 4. Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

Tax ID No.: 005-148-22 (portion Parcel II)
Fiscal Year: 2020-2021
1st Installment: \$870.03
2nd Installment: \$870.03
Exemption: \$0.00
Land: \$82,900.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 01-020

NOTES
(continued)

- Note 5.** Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:
- | | |
|-------------------------|---------------------------------|
| Tax Identification No.: | 005-148-12, portion of Parcel I |
| Fiscal Year: | 2020-2021 |
| 1st Installment: | \$560.11 |
| 2nd Installment: | \$560.11 |
| Land: | \$248,781.00 |
| Improvements: | \$194,500.00 |
| Code Area: | 01020 |
- Note 6.** Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
- Note 7.** Note: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
- Note 8.** Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Commercial Property, known as 524-538 Center Street, Santa Cruz, CA, to an Extended Coverage Loan Policy.
- Note 9.** Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
- Note 10.** Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:
- Name(s) furnished: Matt Tunney
- If these name(s) are incorrect, incomplete or misspelled, please notify the Company.
- Note 11.** Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- Note 12.** Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

NOTES
(continued)

- Note 13.** Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 14.** Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.

END OF NOTES



Inquire before you wire!

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Effective January 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 934-3354 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE
(CONTINUED)**

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

[Except as provided in Schedule B - Part II, [t]or [T]his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

[PART I

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:]

ATTACHMENT ONE (CONTINUED)

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

[The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.]
7. [Variable exceptions such as taxes, easements, CC&R's, etc., shown here.]

ATTACHMENT ONE (CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY - ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC - Chicago Title Company
CLTC - Commonwealth Land Title Company
FNTC - Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR - Ticor Title Company of California
LTC - Lawyer's Title Company
SLTC - ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC - Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
CTIC - Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
CTIC - Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty percent (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FOR TAX PURPOSES ONLY

THE ASSESSOR MAKES NO GUARANTEE AS TO MAP ACCURACY NOR ASSUMES ANY LIABILITY FOR OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED. © COPYRIGHT SANTA CRUZ COUNTY ASSESSOR 2001

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

CITY OF SANTA CRUZ

Tax Area Code
1-020 1-031

5-14



HIHN SUB. OF RODRIGUEZ TR
1M310 11/15/1886

LAUREL

AVE

BIRCH

MAPLE

ST

CATHCART

PACIFIC

LINCOLN

Bk. 7
02

Bk. 7
49

38FM30
5/28/1981

98RS40
10/17/2000

ST



2160 41st Avenue | Capitola, California 95010 | Tel: 831.454.9455 | Fax: 831.469.3712 | www.hacosantacruz.org
Also serving Hollister and San Juan Bautista | Tel: 831.637.0487

June 28, 2021

Chris Garwood
Pacific Union Housing Group LLC.
PO Box 207
St. Helena, CA 94574

RE: 538 Cedar St., Santa Cruz

Dear Chris Garwood;

This letter is an updated Conditional Approval letter. The original January 7th 2020 letter notified you that for the above-referenced project, the Housing Authority of the County of Santa Cruz (HACSC) conditionally approved an award of eight (8) project-based vouchers (PBV) to Pacific Union Housing Group LLC. for the 538 Cedar Street, Santa Cruz, CA development. In March, the Housing Authority, at your request, increased the PBVs. The final revised proposal of eight units was accepted 6/28/21. The eight PBV units are based on the initial proposal of 11/30/2020 and updated 6/28/2021. The commitment of the units is for an initial contract term of fifteen (15) years.

Pacific Union Housing Group LLC plans to project-based units to homeless veterans and veterans at risk of homelessness through the HUD-VASH program. Pacific Union Housing Group LLC plans to identify the remaining project-based unit tenants through the Housing Authority's Disabled and Medically Vulnerable (DMV) Program and supplement any additional supportive housing tenants needed with the County's "Smart Path" program.

The full award of these vouchers is conditioned upon:

1. Execution of an Agreement to Enter into Housing Assistance Payment Contract for New Construction (AHAP) with the Housing Authority.
2. Prior to AHAP, completion of the Environmental Review stating that the property meets requirements (24 CFR 983.58 and PIH Notice 2016-22).
3. Prior to AHAP, secure a HUD finding that assistance is not excessive in the Subsidy Layering Review (24 CFR 983.55 and PIH Notice 2013-11).
4. Completion of the development of the subject property, and Housing Authority approval that all the PBV units pass the HUD housing quality standards inspection.

5. Fulfillment of the plan for serving populations. Pacific Union Housing Group LLC plans to target project-based units with direct referral from the US Department of Veterans Affairs (VA) and will use Housing Authority DMV or Smart Path for the remaining referrals.
6. Compliance with the Housing Authority of the County of Santa Cruz's Administrative Plan.
7. Approval from HUD in compliance with all HUD program regulations and requirements, including documentation to meet the standards set forth in 24 CFR 983, Section 504 of the Rehabilitation Act of 1973, 24 CFR part 8, the Fair Housing Amendments Act of 1988, and 24 CFR 100.205.
8. Compliance with all applicable Fair Housing Requirements including providing all outreach and application materials in Spanish and English.

The Housing Authority retains the right to re-evaluate the selection of the proposal if progress isn't achieved in a reasonable time.

We enthusiastically support the proposal and look forward to working with you to develop new quality affordable housing. If you have any questions regarding the award of these vouchers, please contact Ellen Murtha, Senior Administrative Analyst, at 831-454-5941 or at ellenm@hacosantacruz.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'JPanetta', with a large, stylized initial 'J' and 'P'.

Jennifer Panetta
Executive Director

cc: Matt Tunney via email: mattt@pacunionpartners.com
Chris Garwood Via email: cggxvi@gmail.com



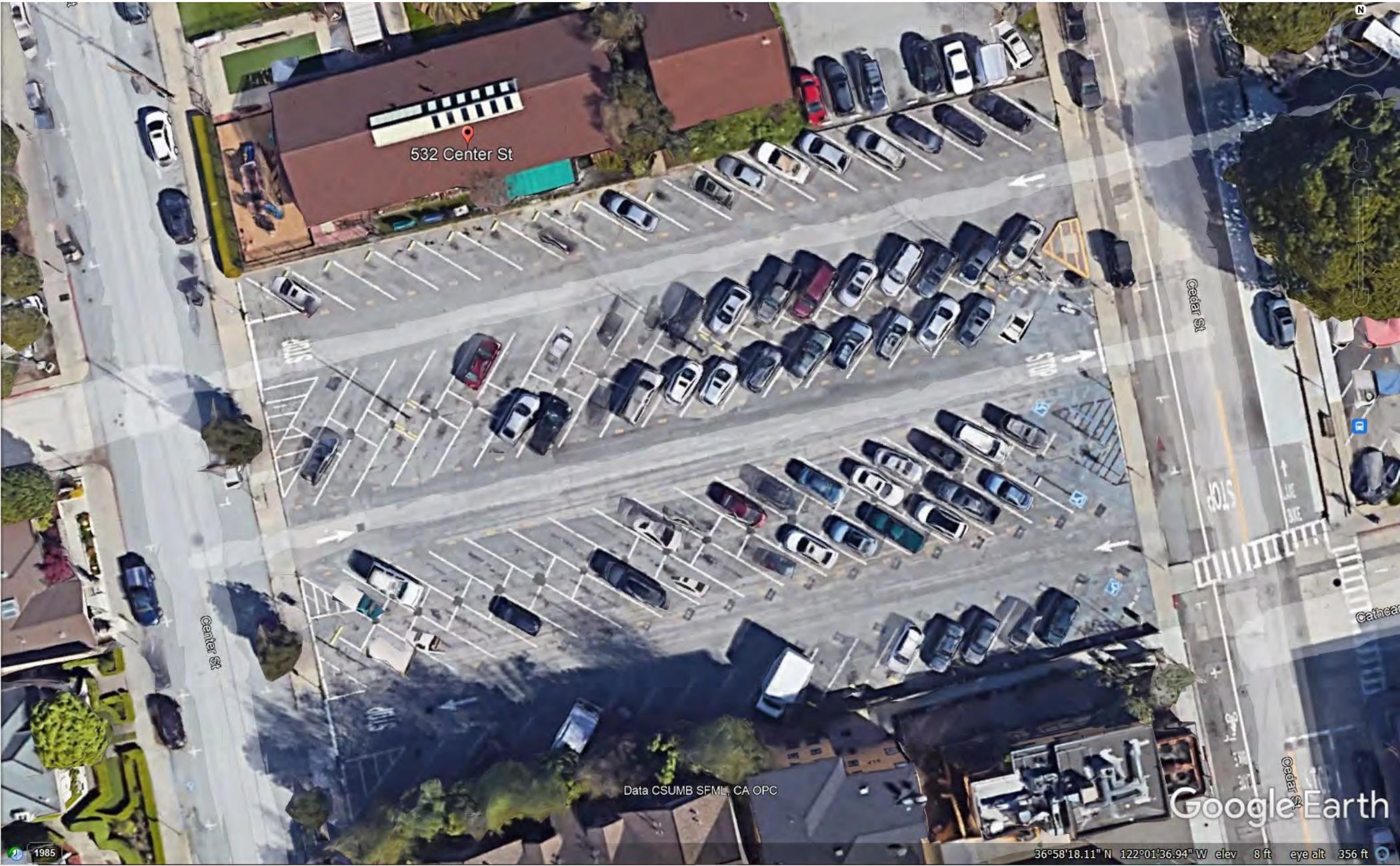
Layer List

- Address Text
- School
- Railroads
- Transportation
- Building Footprints
- City Limit
- Assessors Parcels
- Rental Parcels
- Water Resource Parcels
- San Lorenzo River
- Lakes/Harbor
- Streams
- Parks
- Census Block 2010
- Police Beats
- Neighborhood Policing Zones
- Fire District
- Park Maintenance District
- Opportunity Zone
- Planning



Layer List

- Downtown Plan (Grouped) ...
- FEMA Flood Hazard ...
- 2030 Fire ...
- 2030 General Plan ...
- GP Area Plans (Grouped) ...
- Historic Building ...
- National Historic District ...
- 2030 Liquefaction ...
- 2030 Monarch Butterflies ...
- Recorded Maps ...
- 2030 Sensitive Habitat ...
- 2030 30% Slope ...
- Subdivision Maps ...
- Urban Sustainability Areas ...
- Zoning ...
- Zoning Overlays (Grouped) ...
- Zoning Proposed DRAFT ...
- Cannabis Ordinance Restricted Area ...
- Revised Density Bonus 100% Affordable ...
- Bird Development Standards ...
- ADU Parking Required ...



532 Center St

Center St

Cedar St

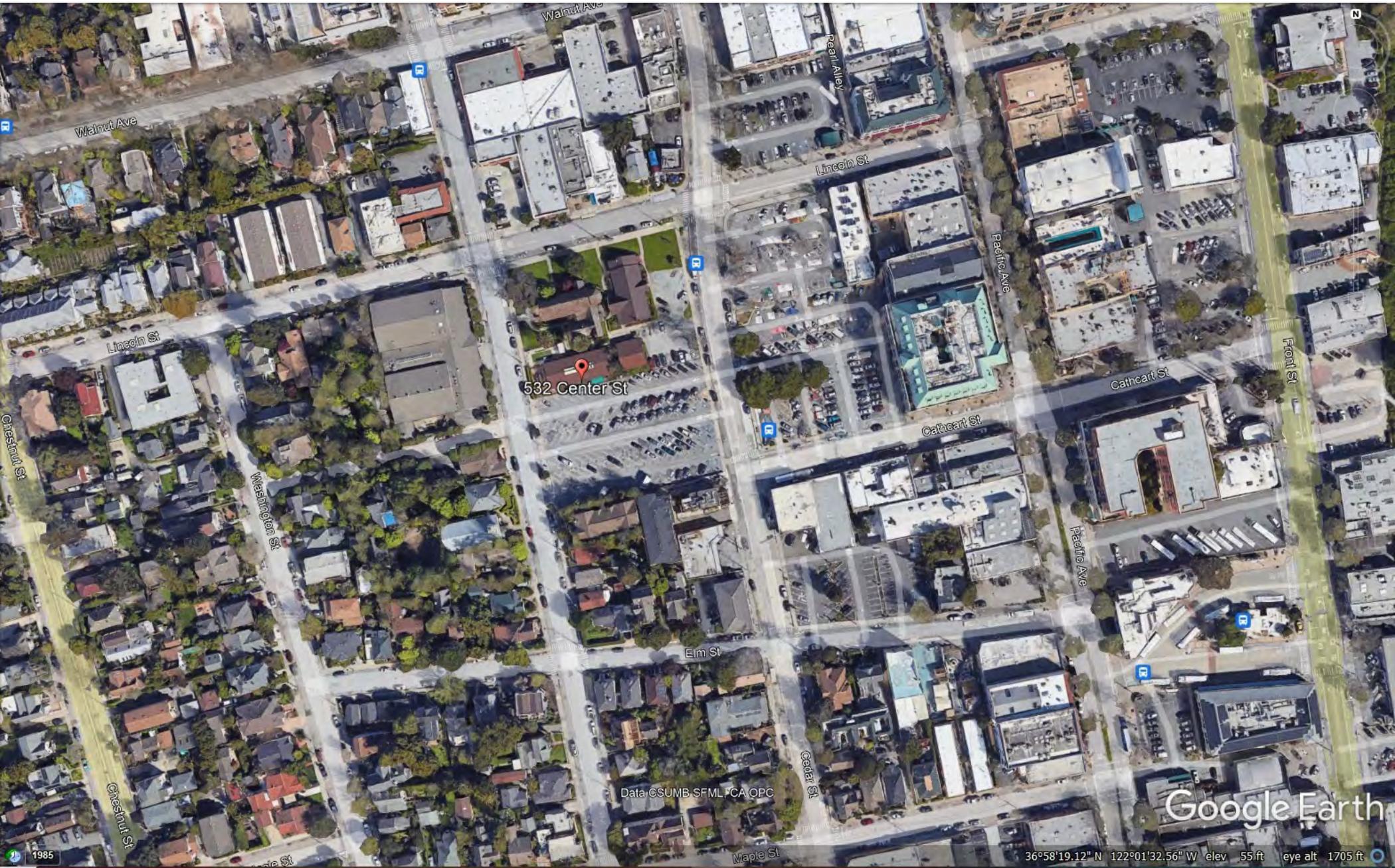
Cedar St

Data CSUMB SFML, CA OPC

Google Earth

1985

36°58'18.11" N 122°01'36.94" W elev 8 ft eye alt 356 ft



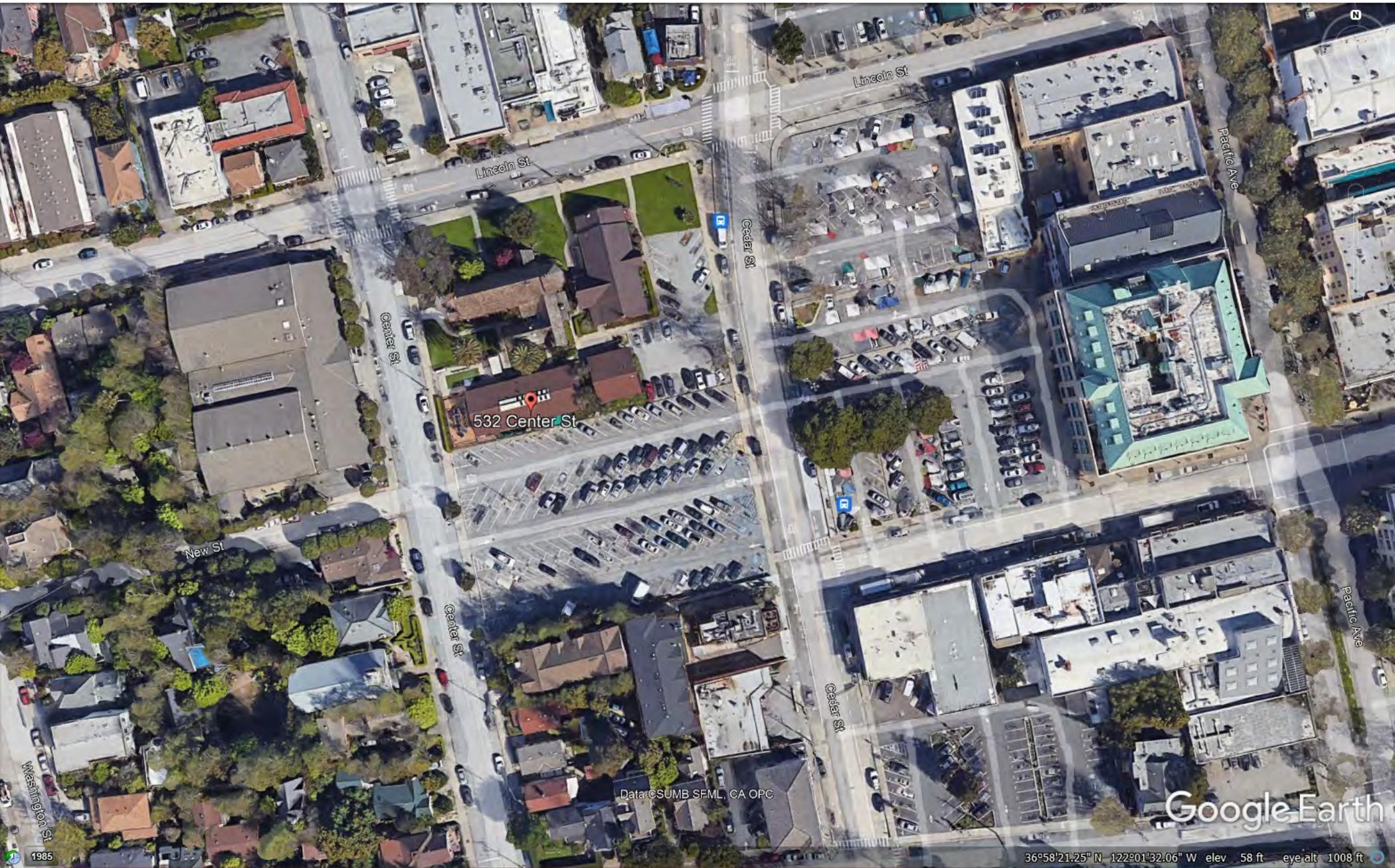
532 Center St

Data ©SUMB SFML, CA OPC

Google Earth

36°58'19.12" N 122°01'32.56" W elev 55 ft eye alt 1705 ft

1985



532 Center St

Data ©SUMB SEML, CA OPC

Google Earth

36°58'21.25" N 122°01'32.06" W elev 58 ft eye alt 1008 ft

1985

Washington St

New St

Center St

Center St

Lincoln St

Lincoln St

Cedar St

Cedar St

Pacific Ave

Pacific Ave

N



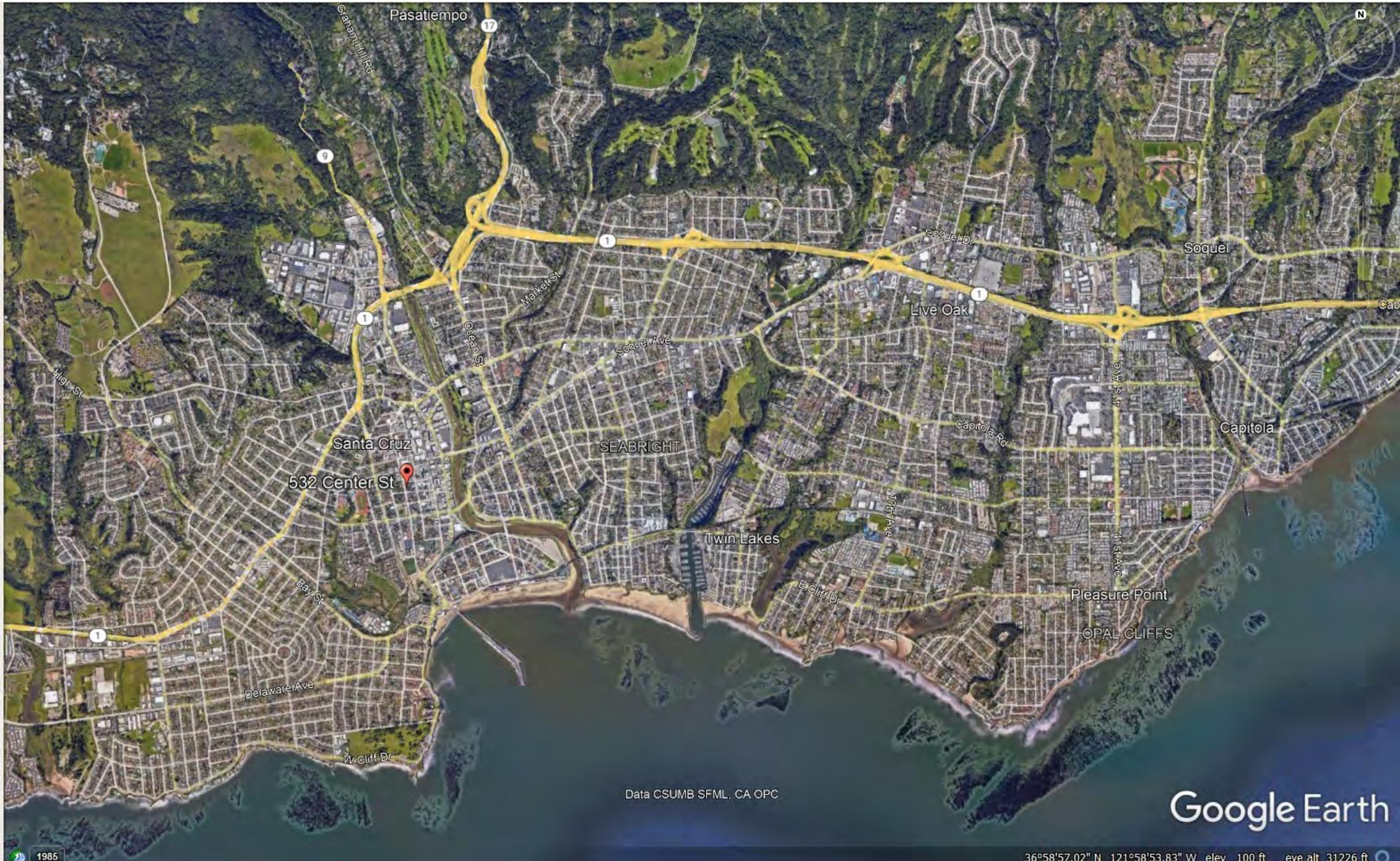
532 Center St

Data CSUMB SFML, CA OPC

Google Earth

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1985



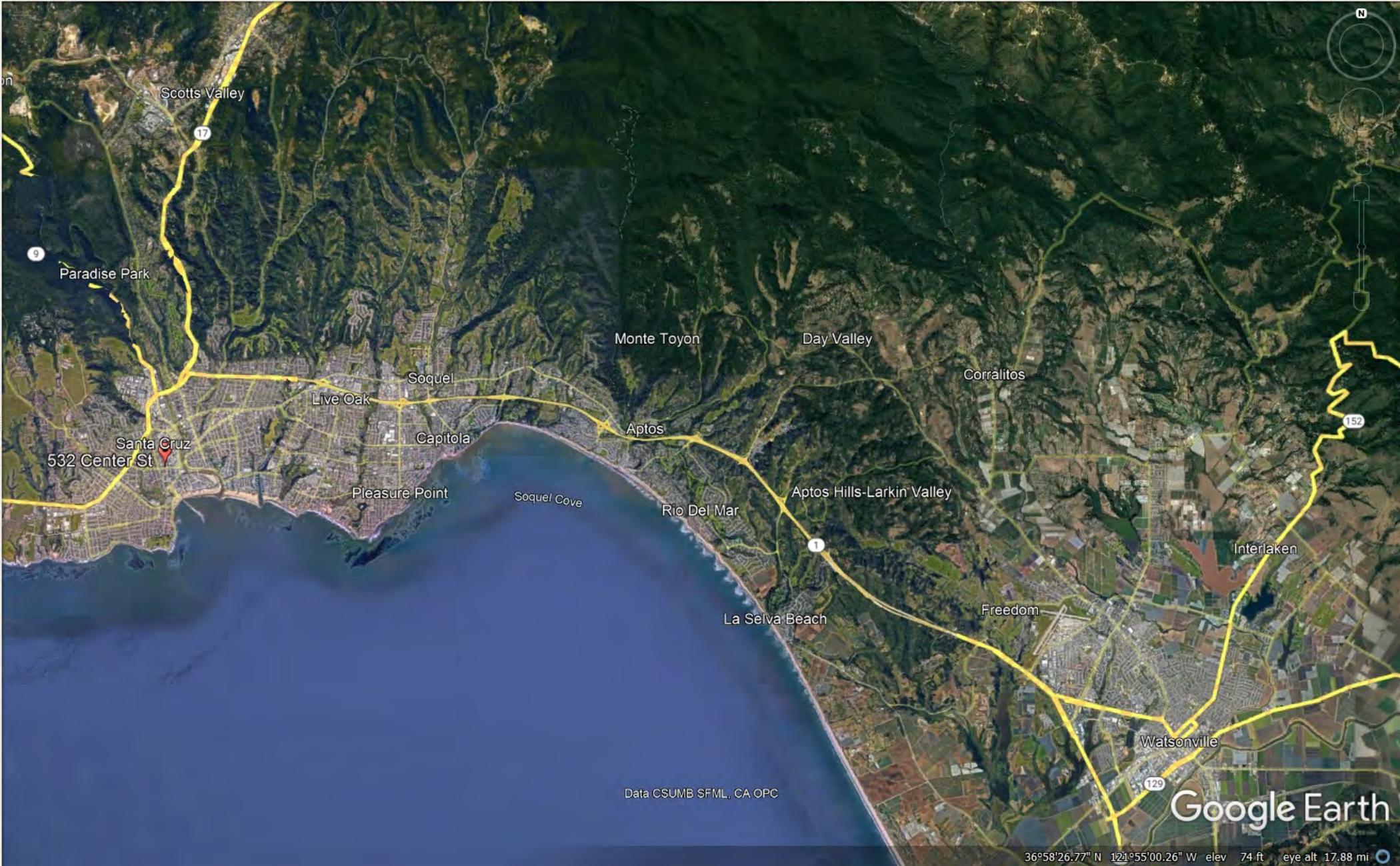
532 Center St

Data CSUMB SFML, CA OPC

Google Earth

1985

36°58'57.02" N 121°58'53.83" W elev 100 ft eye alt 31226 ft



Scotts Valley

17

Paradise Park

9

Monte Toyon

Day Valley

Soquel

Live Oak

Corralitos

Santa Cruz
532 Center St

Capitola

Aptos

152

Pleasure Point

Soquel Cove

Rio Del Mar

Aptos Hills-Larkin Valley

Interlaken

La Selva Beach

Freedom

Watsonville

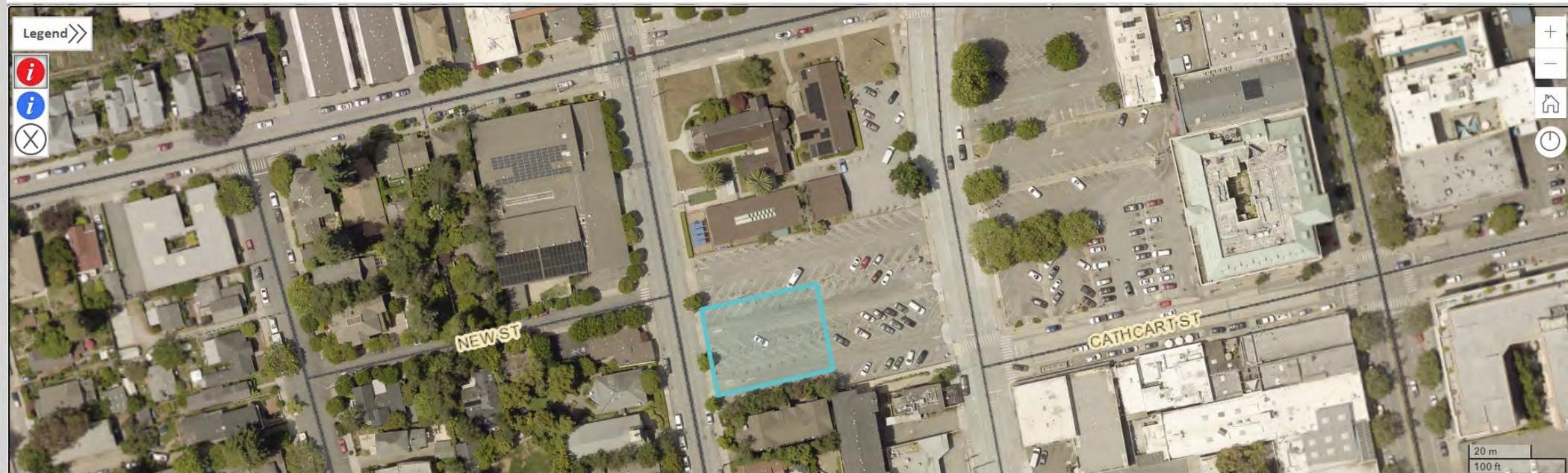
Data CSUMB SFML, CA OPC

Google Earth

36°58'26.77" N 121°55'00.26" W elev 74 ft eye alt 17.88 mi

APN
 Address
 Street
 Intersection

524 CENTER ST



Parcel Information	APN (Click for Assessor Info)	00514821	Sect Town Range	SEC13; T11S-R2W
	APN Map (Click for Map)	00514	Tax Code Areas	1-031
	Click for Permit Data:	Permit Data	Map Book	005
	Click for Other Planning Data:	Planning Data	Home Owner Exemption (HOE=Yes)	
Recorded Maps & Docs	Assessor's Acreage	0.2440	Assessor's Use Code Description	192-COMMERCIAL PARKING
	Assessor's Square Feet	10628.6400	Assessor's Use Code	192
Select and Query Results	Click Situs Address for Google Maps	524 CENTER ST	Situs City State Zip	SANTA CRUZ, CA 95060-4313
	Click for Tax info	Tax Information	Map Page	005-14

APN
 Address
 Street
 Intersection

532 CENTER, SANTA CRUZ, 95060



Parcel Information	APN (Click for Assessor Info)	00514817	Sect Town Range	SEC13; T11S-R2W
	APN Map (Click for Map)	00514	Tax Code Areas	1-031
Recorded Maps & Docs	Click for Permit Data:	Permit Data	Map Book	005
	Click for Other Planning Data:	Planning Data	Home Owner Exemption (HOE=Yes)	
	Assessor's Acreage	0.2780	Assessor's Use Code Description	710-CHURCH
	Assessor's Square Feet	12109.6800	Assessor's Use Code	710
Select and Query Results	Click Situs Address for Google Maps	532 CENTER ST	Situs City State Zip	SANTA CRUZ, CA 95060-4313
	Click for Tax info	Tax Information	Map Page	005-14

APN Address Street Intersection

538 CENTER ST



Parcel Information	APN (Click for Assessor Info)	00514818	Sect Town Range	SEC13; T11S-R2W
	APN Map (Click for Map)	00514	Tax Code Areas	1-020
Recorded Maps & Docs	Click for Permit Data:	Permit Data	Map Book	005
	Click for Other Planning Data:	Planning Data	Home Owner Exemption (HOE=Yes)	
	Assessor's Acreage	0.2780	Assessor's Use Code Description	711-OTHER CHURCH PROPERTY
	Assessor's Square Feet	12109.6800	Assessor's Use Code	711
Select and Query Results	Click Situs Address for Google Maps	538 CENTER ST	Situs City State Zip	SANTA CRUZ, CA 95060-4313
	Click for Tax info	Tax Information	Map Page	005-14

APN
 Address
 Street
 Intersection



Parcel Information	APN (Click for Assessor Info)	00514822	Sect Town Range	SEC13; T11S-R2W
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Recorded Maps & Docs	Assessor's Acreage	0.2450	Assessor's Use Code Description	192-COMMERCIAL PARKING
	Assessor's Square Feet	10672.2000	Assessor's Use Code	192
	Click Situs Address for Google Maps		Situs City State Zip	
Select and Query Results	Click for Tax info	Tax Information	Map Page	005-14



November 5, 2021

Search Results: Address



- School
- Railroads

Transportation

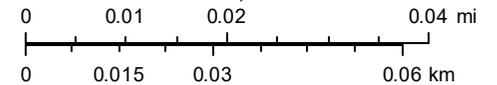
- State Highway
- Highway Ramp

- Major Road
- Road
- City Limit

- Assessors Parcels
- Rental Parcels
- San Lorenzo River

- Lakes/Harbor
- Streams

1:1,200

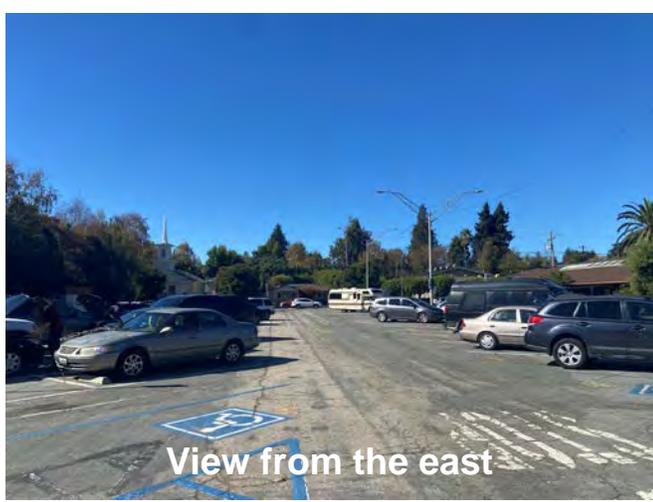




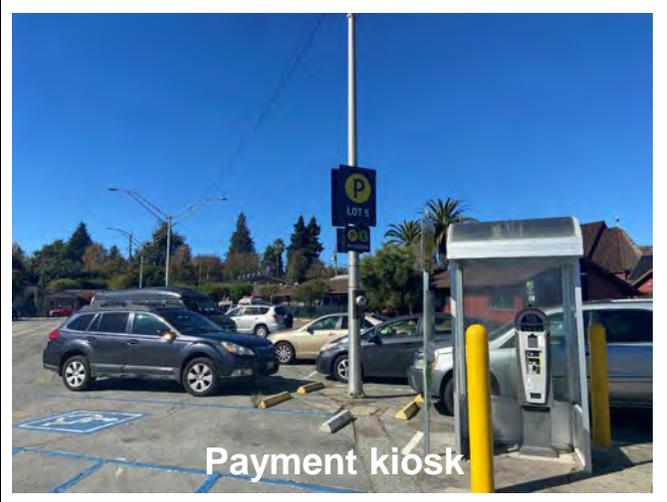
View from the southwest



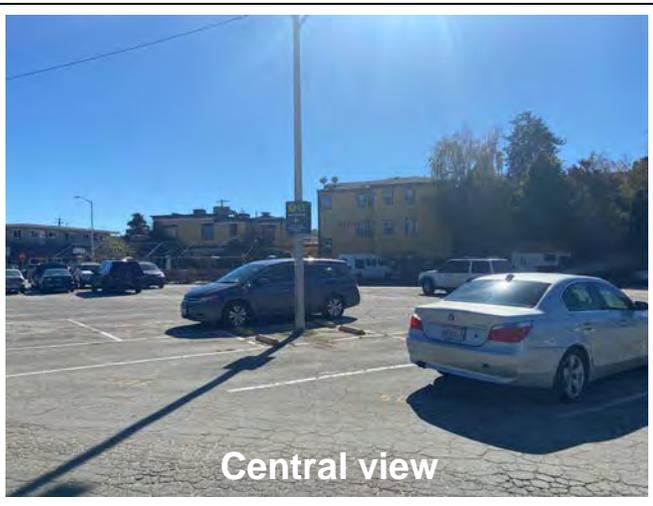
View from the northwest



View from the east



Payment kiosk



Central view



View from the northeast

BOLE & ASSOCIATES
6898 Penny Way, Browns Valley, CA 95918
(530) 415-6623, email: davidhbole@yahoo.com

SITE: APNS 005-149-17/-18/-21/-22
ITEM: SITE PHOTOS
DATE: 10/28/2021

PLATE: 1



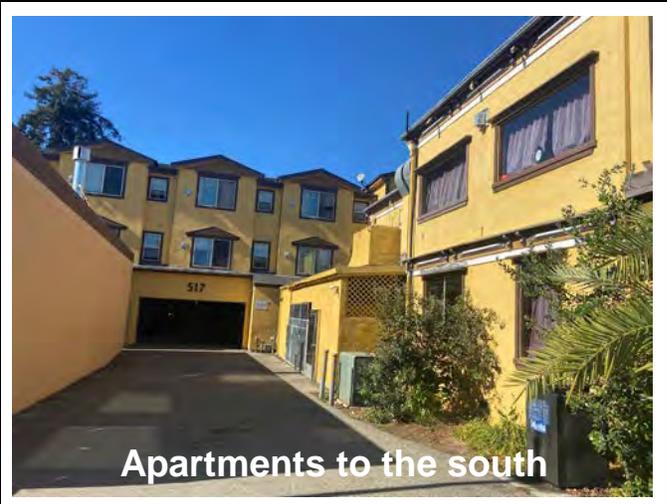
Preschool to the north



View to the east



Restaurant to the southeast



Apartments to the south



Church/residence to the west



View to the northwest

BOLE & ASSOCIATES
6898 Penny Way, Browns Valley, CA 95918
(530) 415-6623, email: davidhbole@yahoo.com

SITE: APNS 005-149-17/-18/-21/-22
ITEM: ADJOINING PROPERTIES
DATE: 10/28/2021 **PLATE: 2**

Photographs of Subject Site and Street Views (Taken December 21, 2020)



View of Subject site facing northwest



View of Subject site facing east



View of Subject site facing south



View of Subject site facing west



View south along Cedar Street



View northeast along Cedar Street



View south along Center Street



View north along Center Street

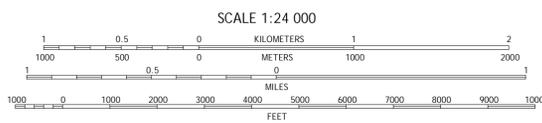
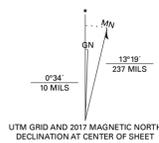
Unit Mix:

The Subject will offer 64 one, two, and three-bedroom rental units restricted to family households earning 30, 50, and 60 percent of the area median income (AMI) or below, in addition to one non-rental manager's unit. Note that 16 units at 30 percent of AMI will be reserved as Permanent Supportive Housing (PSH), targeting a homeless tenancy. Eight of the units will operate with Project-based Vouchers (PBV) through the Santa Cruz Housing Authority. The remaining eight units will have rents offset through capitalized rent reserve, and tenants in these units will pay 30 percent of their income towards rent. The Subject's developer has provided unit sizes, which are listed below, along with the proposed Subject rents.



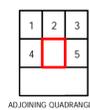
Produced by the United States Geological Survey
North American Datum of 1983 (NAD83)
World Geodetic System of 1984 (WGS84) Projection and
1 000-meter grid: Universal Transverse Mercator, Zone 10S
This map is not a legal document. Boundaries may be
generalized for this map scale. Private lands within government
reservations may not be shown. Obtain permission before
entering private lands.

Imagery.....NAIP, June 2016 - October 2016
Roads.....U.S. Census Bureau, 2016
Names.....GNIS, 1981 - 2018
Hydrography.....National Hydrography Dataset, 2005 - 2018
Contours.....National Elevation Dataset, 1999
Boundaries.....Multiple sources: see metadata file, 2016 - 2017
Public Land Survey System.....BLM, 2018
Wetlands.....FWS National Wetlands Inventory 1981 - 1993



CONTOUR INTERVAL 20 FEET
NORTH AMERICAN VERTICAL DATUM OF 1988

This map was produced to conform with the
National Geospatial Program US Topo Product Standard, 2011.
A metadata file associated with this product is draft version 0.6.18



1 Davenport
2 Felton
3 Laurel
4 Santa Cruz OE W
5 Sequoi

