



KEYSER MARSTON ASSOCIATES™

## **REPORT TO CITY COUNCIL**

**ON A BALLOT INITIATIVE TITLED  
“MEASURE “O”**

**GENERAL PLAN AND DOWNTOWN PLAN AMENDMENTS  
REGARDING DOWNTOWN LIBRARY, DOWNTOWN  
FARMERS’ MARKET, AFFORDABLE HOUSING AND  
SURPLUS PARKING REVENUE**

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**City of Santa Cruz**

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- Attachment 3: Measure O Sponsors: Summary of Development Opportunities

## I. INTRODUCTION

At a meeting held on June 28, 2022, the City of Santa Cruz City Council requested that a report be prepared that identifies the potential impacts created by the “Our Downtown, Our Future Initiative” that has been placed on the November 8, 2022 election ballot. It was further directed that the report be brought back to the City Council no later than September 27, 2022.

For reference purposes, the initiative has been given the following title:

Measure O  
General Plan and Downtown Plan Amendments  
Regarding Downtown Library, Downtown Farmers’ Market,  
Affordable Housing and Surplus Parking Revenue

Throughout this report the initiative will be referred to alternatively as Our Downtown, Our Future and Measure O as pertinent.

### A. Chronology of Events

Keyser Marston Associates, Inc. (KMA) was engaged by the City of Santa Cruz (City) to prepare the impact report that was requested by the City Council. A chronology of events that led to the submission of the initiative is detailed in Attachment A, and summarized in the following table:

2013	Santa Cruz Public Libraries commence a comprehensive facilities master planning process.
2016	Voters approve Measure S bonds, which provide funding for library facility needs across the system. Funding for the Downtown Library is identified as an urgent need.  On December 6, 2016 the City Council discusses the possibilities for the development of a new library and parking structure, as well as exploring permanent location options for the Downtown Farmers’ Market.

June 2018	<p>At the June 19, 2018 City Council Meeting:</p> <ol style="list-style-type: none"> <li>1. The Downtown Library Advisory Committee (DLAC) recommends City Council approval of a new Downtown Library as part of a mixed-use project including retail, office, and/or housing uses.</li> <li>2. The proposed development site is the City-owned parcel located on Cedar Street between Cathcart and Lincoln Streets (Lot 4).</li> <li>3. City staff is directed to conduct additional outreach prior to the City Council taking any action.</li> </ol>
September 2018	<p>At a meeting held on September 11, 2018 the City Council:</p> <ol style="list-style-type: none"> <li>1. Accepts the DLAC recommendation for a new Downtown Library as part of a mixed-use project on Lot 4;</li> <li>2. Authorizes the City staff to proceed with the selection of an owner’s representative to manage the overall project implementation, and to issue a RFP/Q for the selection of a design build team;</li> <li>3. Introduces resolutions to amend Chapter 10.52 regarding parking meter rates and parking and permit rates; and to update the current parking resolution to phase out deficiency fees;</li> <li>4. Directs staff to work with the owner’s representative and Design-Build team to undertake community outreach and to return to the City Council with preliminary project design options for considerations; and</li> <li>5. Directs the City Manager to engage a land planning firm to evaluate reuse opportunities for the existing Downtown Library site.</li> </ol>
May 2019	<p>On May 19, 2019 the City Council places the Library Mixed-Use Project on hold, and forms a Council Subcommittee to investigate alternatives. The Subcommittee meets over the course of one year.</p>

June 2020

At a meeting held on June 23, 2020 the City Council conceptually approves, subject to appropriate environmental review and required permit process, and give direction to City staff to proceed with the design and development of a mixed-use project on Lot 4 by adopting a resolution with the following provisions:

1. Relocate the Downtown Library to the ground floor of a mixed-use project on Lot 4;
2. Include at least 50 low income units in the project;
3. Include at least 400 parking spaces in a garage on Lot 4 to provide parking for the affordable housing and to replace lost public parking spaces in the downtown area; and
4. Restrict the project height to not exceed that of the University Town Center, or if this is not possible, the development at 1010 Pacific.
5. City staff is also directed to work with the Farmers' Market to develop a design for a permanent location on Cathcart and Front Streets (Lot 7).

City staff is also directed to undertake the following activities:

1. To work with the owner's representative and Design-Build Team to initiate an outreach process based on a preliminary design prepared by Group 4 Architects;
2. Initiate a public process to consider reuse options for the site currently occupied by the Downtown Library, including affordable housing, a community commons, and other public uses;
3. To report back within two months with financial information pertaining to each component of the project, a work program and timeline for project implementation, the public engagement process, and general schematics for the project; and
4. To re-engage with the Farmer's Market to finalize an agreement and develop a design for a permanent location on Lot 7.

2021	<p>The City takes the following actions during 2021:</p> <ol style="list-style-type: none"> <li>1. An owner-representative is hired;</li> <li>2. An affordable housing developer team is selected, and the affordable housing component is proposed to be set at 107 units;</li> <li>3. The re-visioning process for the current Downtown Library site is completed;</li> <li>4. Public meetings are held to discuss the conceptual design for the library proposed to be developed on Lot 4;</li> <li>5. City staff commences relocation discussions with the Farmers’ Market related to a new permanent downtown location; and</li> <li>6. The City Council approves a conceptual design for the Library Mixed-Use Project.</li> </ol> <p>In November 2021 a “Notice of Intent to Circulate Petition and Statement of Reasons” is submitted to the City.</p>
May 2022	<p>On May 1, 2022:</p> <ol style="list-style-type: none"> <li>1. The City staff updates the City Council on matters related to the proposed new library: schematic designs; results of public outreach; and budget comparisons for multiple library renovation and new construction options.</li> <li>2. A pre-application is submitted to the City for the project which is renamed the Downtown Library &amp; Affordable Housing Project. The size of the affordable housing component is increased to 124 units and the parking component is reduced to between 245 and 345 spaces.</li> </ol> <p>On May 3, 2022 an Initiative petition is filed with the County Clerk. The County Clerk validates and certifies the requisite number of signatures on June 14, 2022.</p>

## B. Our Downtown, Our Future Initiative

The City Attorney prepared an Impartial Analysis of Measure O dated August 19, 2022. The analysis is summarized below.

Measure O would amend the City’s General Plan to recognize the following as policy priorities:

1. Maintaining the Downtown Library in its current location; and
2. Defining Lot 4 as the preferred long-term location for the Downtown Farmers’ Market.

These policy priorities effectively preclude the following:

1. The use of Lot 4 for the proposed Downtown Library & Affordable Housing Project; and
2. The reuse of the property that is currently occupied by the Downtown Library.

Key requirements that would be imposed by Measure O can be summarized as follows:

1. Downtown Farmers’ Market:
  - a. The Downtown Plan would be required to be amended to ensure that adequate space remains on Lot 4 for the Farmers’ Market, and
  - b. Provisions authorizing the closure of Pacific Avenue between Cathcart and Lincoln Streets for the weekly Downtown Farmers’ Market would be eliminated.
2. Measure O would also require the following amendments to the General Plan and Downtown Plan:
  - a. The construction of additional parking facilities above the ground level would be prohibited on the following City-owned surface parking lot sites:

Lot	Address
7	505 Front Street
8	710 Cedar Street
9	120 Elm Street
11	328 Front Street



Lot	Address
14	224 Church Street
16	204 Church Street
26	155 Center Street <sup>1</sup>
27	310 Front Street

- b. “To the maximum extent feasible,” these specified parking lots should be developed into permanent affordable housing.
- c. Measure O also authorizes, but does not require, development of affordable housing on Lot 4.

Measure O would also amend the General Plan to prioritize expenditure of surplus parking revenue from the Downtown Parking District for:

1. Development of affordable housing;
2. Free bus passes to Downtown workers, and other “transportation demand management” programs;
3. Renovating the existing Downtown Branch Library; and
4. Improving parking Lot 4 for “public gatherings and recreational purposes,” including the Farmers’ Market.

Lastly, Measure O directs City officials to make any further conforming changes to the General Plan, Downtown Plan, Zoning Ordinance, and/or Local Coastal Program that are necessary to ensure such plans and ordinances are consistent with Measure O, and to determine the availability of surplus parking revenue to underwrite the costs of implementing the Measure O priorities.

### C. Report Organization

The report is organized into the following sections:

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<sup>1</sup> Lot 26 is the current Santa Cruz Police Department parking lot. The lot is actually located outside the perimeter of the Downtown Parking District.

Section	Topic
II	Executive Summary
III	Existing Downtown Context
IV	Evaluation of Measure O Prioritized Housing Sites
V	Analysis of the Downtown Library & Affordable Housing Project
VI	Estimated Fiscal Impacts
VII	Measure O Consistency with General Plan & Downtown Plan

## II. EXECUTIVE SUMMARY

### A. Measure O Goals

The stated goals of Measure O can be summarized as follows:

1. To maintain the Downtown Library in its current location.
2. To define Lot 4 as the preferred long-term location for the Downtown Farmers' Market, and to improve Lot 4 for public gatherings and recreational purposes.
3. To define the allowable future uses on nine City-owned sites that are currently developed with surface parking lots. The key limitations are:
  - a. "To the maximum extent feasible," the parking lots should be developed into permanent affordable housing.
  - b. The construction of additional above-ground parking facilities would be prohibited.
4. Surplus parking revenue from the Downtown Parking District should be prioritized and redirected for non-parking uses.

### B. Existing Downtown Context

Excluding the proposed Downtown Library & Affordable Housing Project, there are currently seven Downtown housing projects at stages ranging from the entitlement phase to being under construction. These projects contain 935 units of which 321 units are set aside for very low and low income households. The affordable units represent 34% of the new housing units.

Over the past four years, 230 public surface parking spaces have been removed from the inventory to allow for new development projects. Another 61 on-street spaces were removed from the inventory during this period for outdoor dining or similar private uses. This results in a net loss of 291 spaces.<sup>2</sup>

The Downtown is served by many parks and community spaces. There are currently spaces totaling approximately 47 acres in the Downtown and in close proximity to the downtown.

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<sup>2</sup> The parking counts exclude the net increase in parking spaces that would be provided if the Downtown Library & Affordable Housing Project is developed as currently proposed.

## C. Evaluation of Measure O Prioritized Housing Sites

### LOTS 7, 8 AND 9

Both KMA and the sponsors of Measure O concluded that the following three Measure O prioritized sites could potentially be feasibly developed with affordable housing projects:

Lot	Address
7	505 Front Street
8	710 Cedar Street
9	120 Elm Street

It is important to note the City’s existing regulations already permit the development of affordable housing projects on these sites. The more stringent development standards imposed by Measure O, including the prohibition of parking above the ground level, could potentially constrain the development potential for these sites.

### LOTS 11 AND 27

The lots identified in the following table are currently proposed to be acquired from the City by a private developer who is assembling a site for the subsequent development of a hotel. It is important to note that the City-owned lots are separated by multiple privately owned parcels. Neither of the City-owned properties are large enough to feasibly accommodate an affordable housing project.

Lot	Address
11	326 Front Street
27	310 Front Street <sup>3</sup>

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<sup>3</sup> 310 Front Street is a City-owned site that is identified in Measure O as prioritized housing site, but it is not a parking lot. It is a small landscaped area and a right-of-way easement for the adjacent public road.

## LOTS 14 AND 16

Lots 14 and 16 are located adjacent to the existing Downtown Library. When the two sites are combined they are still too small, and irregularly shaped, to efficiently support an affordable housing project. These constraints are exacerbated by the 35 foot height limit imposed by the sites' zoning.

Lot	Address
14	224 Church Street <sup>4</sup>
16	204 Church Street

## LOT 26

Lot 26 is comprised of the following two parcels:

Lot	Address
26A	409 Laurel Street
26B	241 Center Street

Lots 26A and 26B are located outside the boundaries of the Downtown Plan. These lots represent a portion of a site that is currently used as the parking lot for the Santa Cruz Police Department, which also includes 10 public parking spaces. The site's development potential is constrained by its small size, the City's development standards, and the costs associated with replacing the parking spaces that are currently being used by the Police Department.

## D. Analysis of the Downtown Library & Affordable Housing Project

Lot 4 was first considered in 2018 as the location for a new Downtown Library following a robust community outreach effort. In 2019 the City Council appointed a Council Subcommittee, and additional community outreach was undertaken. In 2020 the City Council reaffirmed the Lot 4 location for the Downtown Library, directed City staff to explore the re-use options for the existing Downtown Library site, and to plan for a permanent Farmers' Market location on Lot 7. This action also directed the City staff to undertake a community outreach campaign.

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<sup>4</sup> This parcel has a Church Street address, but it is only accessible from Locust Street.

## DOWNTOWN LIBRARY

In 2022, the City commissioned a comparative analysis of the costs and amenities associated with a renovation of the Downtown Library. The key differences are summarized in the following table:

2022 Comparative Downtown Library Analysis		
	Renovate Existing Library	Downtown Library & Affordable Housing Project
Total Building Area (Square Feet)	30,230	38,090
Green Certification	None	LEED Gold Certified
Area of Planting (Square Feet)	6,570	12,170
Solar Power	None	270 KW (Net Zero)
Fossil Fuels	Natural Gas	No Reliance
<u>Library Development Cost</u>		
Total	\$40.3 million	\$42.6 million
Per Square Foot of Building Area	\$1,333	\$1,118

## PUBLIC PARKING SPACE ANALYSIS

Under the assumption that the Downtown Library & Affordable Housing Project goes forward, and that the existing Downtown Library site is redeveloped, the net parking loss is estimated as follows:

Potential Development	Public Parking Spaces
<u>Lost Downtown Public Parking Spaces</u>	
Lots 4, 11, 14, and 16	218
2018 – 2022: Net Loss of Downtown Public Parking Spaces	291
Total: Lost Downtown Public Parking Spaces	509
Lot 4: Range of Potential Replacement Parking Spaces	245 – 345
Net Lost Downtown Public Parking Spaces	164 – 264

The net loss of parking spaces comes amid substantial increases in parking demand. This concept is detailed elsewhere in this report.

## POTENTIAL MEASURE O IMPACT ON DOWNTOWN HOUSING DEVELOPMENT

An affordable housing project could potentially still be developed on Lot 4 if Measure O is enacted. However, the requirement to maintain the Farmers' Market on site would necessitate a redesign of the project. This would result in the loss of funds that have already been secured and spent, as well as creating years of delay in implementing the development of an affordable housing project.

The existing Downtown Library site will not be available for redevelopment if Measure O is enacted. That would eliminate the potential for the site to be combined with Lots 14 and 16 to create a viable affordable housing site.

## FARMERS' MARKET PERMANENT LOCATION

The City and representatives of the Farmers' Market have been working collaboratively on a Memorandum of Understanding that is intended to result in a permanent home for the Farmers' Market. The following actions have been taken to date:

1. The City identified Lot 7 (corner of Cathcart and Front Streets) as the future permanent location for the Farmers' Market; and
2. The City has approved and secured a project budget of \$1,775,000 towards the completion of permanent facilities for the Farmers' Market on Lot 7.

The Farmers' Market Board is expected to take action on the final Memorandum of Understanding in the Fall of 2022.

## DOWNTOWN LIBRARY & AFFORDABLE HOUSING PROJECT FUNDING ISSUES

The City has been actively working on securing financing for the Library Mixed Use Project. To date, the committed sources consist of Measure S funds, a congressional earmark, Local Housing Trust Funds awarded by the State, and a sustainability grant provided by Central Coast Community Energy.

The development team has extensive experience developing affordable housing projects that are financed with a combination of funding sources. In 2023 the development team plans to apply for conventional mortgage financing and Low Income Housing Tax Credits (Tax Credits) that are estimated

to total approximately \$120 million. The development team will also pursue several state funding sources that are offered under one Notice of Funding Availability (Super NOFA). The proposed development scope, and the proposed income and affordability standards, were devised to maximize the project's competitiveness for these funding sources.

## E. Estimated Fiscal Impacts

### DIRECT FISCAL IMPACTS

1. The City has spent nearly \$2.0 million in architecture and design costs specifically related to the currently proposed Library Mixed use Project.
2. The City has obtained \$5.1 million in state and federal grant funding that will likely be lost if the proposed project does not go forward.

### INDIRECT FISCAL IMPACTS

#### *Surplus Parking Revenue*

Measure O call for surplus parking revenue from the Downtown Parking District to be prioritized for non-parking uses. Issues associated with this provision are:

1. It has not been finally determined whether Downtown Parking District funds can legally be diverted to affordable housing or other non-parking related uses; and
2. Between budgeted costs and unfunded liabilities for which parking revenues are responsible, historically there never has been, and it is highly unlikely in the foreseeable future, that surplus parking revenues will be generated by the Downtown Parking District.

Based on these factors, it is unlikely that surplus parking funds will be available for the purposes contemplated by Measure O.

#### *Future Development Opportunities*

Measure O imposes new zoning restrictions that are unique to the City-owned Downtown surface parking lots. These unique restrictions limit development opportunities on those sites. This would in turn impact General Fund revenue sources. The exact amount of negative fiscal impact cannot be



accurately predicted, but it can be assumed that the implementation of the Measure O restrictions would likely generate long-term negative fiscal impacts on the City.

## **F. Measure O Consistency with General Plan & Downtown Plan**

Measure O requires modifications to be made to the General Plan and the Downtown Plan. A brief summary of issues follows:

1. In many cases, the language is ambiguous and subject to multiple interpretations.
2. The requirements negatively impact the City's fiscal stability by prohibiting commercial, retail, hotel and public uses on any of the prioritized sites.
3. Consolidating public surface parking spaces into a multi-level structure is prohibited. This limits the opportunity to free up sites that could potentially be developed with affordable housing.
4. The overly prescriptive and restrictive language in Measure O creates an entitlement risk that would likely deter quality affordable housing developers from pursuing affordable housing opportunities in Santa Cruz.

Measure O is not in alignment with the City's key guiding documents. It directly conflicts with many policies included in the General Plan, Housing Element, and the Downtown Plan, particularly when comparing the proposed Measure O requirements to existing City regulations.

### III. EXISTING DOWNTOWN CONTEXT

The following section of this report describes the current conditions in the Downtown. This review identifies the City’s activities over time, and summarizes issues that are relevant to the evaluation of the impacts that would be created by the requirements imposed by Measure O. The summaries presented below are supplemented with tables that can be found in Attachment 2 to this report.

#### A. Downtown Housing Development Pipeline

The tables that support this section of the report can be found in Attachment 2 – Appendix A.

##### AFFORDABLE HOUSING PROJECTS

The City has recently sponsored three 100% affordable housing projects in the Downtown.<sup>5</sup> The Pacific Station South and Cedar Apartment projects are currently under construction, and the Pacific Station North project has received City approvals. Key components of these three projects are presented in the following table:

Total Number of Affordable Units	262
Affordability Mix	30% to 60% of AMI <sup>6</sup>
Parking: <sup>7</sup>	
Parking Shortfall: Non-Residential Uses	147 spaces <sup>8</sup>
Unmet Demand for Off-Site Parking	621 spaces <sup>9</sup>

##### PRIVATE RESIDENTIAL DEVELOPMENT PROJECTS

There are currently four private residential development projects in the Downtown pipeline. These projects can be described as follows:

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<sup>5</sup> The Downtown Library & Affordable Housing Project would be the fourth project.

<sup>6</sup> AMI = Area Median Income.

<sup>7</sup> See Attachment 2 – Appendix A – Table 1 for the parking calculations.

<sup>8</sup> The projects qualified for the residential parking exemption provided by Section 65915 (p).

<sup>9</sup> The unmet demand for off-site parking is equal to the number of spaces required by the City’s parking code and the number of spaces provided on site within the project.

### *Density Bonus Projects*

The following two projects are making use of the California Government Code Section 65915 et seq. (Section 65915) density bonus:

1. The Front Riverfront project includes 175 units and it has received City approvals.
2. The 514, 516, 518, 524 and 530 Front Street project includes 276 units and it is currently making its way through the City's entitlement process.

The projects share the following characteristics:

1. The projects must adhere to the more stringent of the income and affordability requirements imposed by the City's inclusionary housing ordinance and by Section 65915.
2. The projects are both making use of the parking relief provided by Section 65915 (p), which allows for reduction to or elimination of the parking requirements.

### *Base Zoning Projects*

The following two projects are being developed in accordance with the sites' base zoning requirements. These projects are subject to the City's inclusionary housing requirements:

1. The Pacific Front Laurel project includes 205 units and it is currently under construction.<sup>10</sup>
2. The 1013 Pacific project includes 17 units and it has received City approvals.

### *Total Private Residential Development Projects in the Pipeline*

Key components of the four private development projects are summarized on the following table:

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<sup>10</sup> The Pacific Front Laurel project fulfilled its inclusionary housing obligation by dedicating land to the City.

<b>Residential Units</b>	
Market Rate Units	614
Affordable Units	59
Total Number of Residential Units	<u>673</u>
<b>Parking <sup>11</sup></b>	
Parking Excess / Shortfall <sup>12</sup>	0
Unmet Demand for Off-Site Parking <sup>13</sup>	245

### SUMMARY: DOWNTOWN RESIDENTIAL DEVELOPMENT PIPELINE

The seven projects identified in this section of the report impact the Downtown housing and parking inventories in the following ways:

<b>Residential Units</b>	
Market Rate Units	614
Affordable Units	321
Total Number of Residential Units	<u>935</u>
Affordable Units as a Percentage of the Total	34%
<b>Parking:</b>	
Shortfall in Meeting the City’s Net Requirements	147
Shortfall in Meeting the City’s Parking Code Standards	866

It is also important to note that this unit count does not include the 124 affordable units that are included in the proposed Downtown Library & Affordable Housing Project.

<sup>11</sup> See Attachment 2 – Appendix A – Table 2 for the parking calculations.

<sup>12</sup> The two Section 65915 density bonus projects provided 65 more spaces than required after consideration of Section 65915 (p) parking relief. The two projects that did not receive Section 65915 density bonuses were allowed to provide 65 fewer spaces than were required by the City’s parking code.

<sup>13</sup> The unmet demand for off-site parking is equal to the number of spaces required by the City’s parking code and the number of spaces provided on site within the project.

## **B. Existing Downtown Public Parking Inventory**

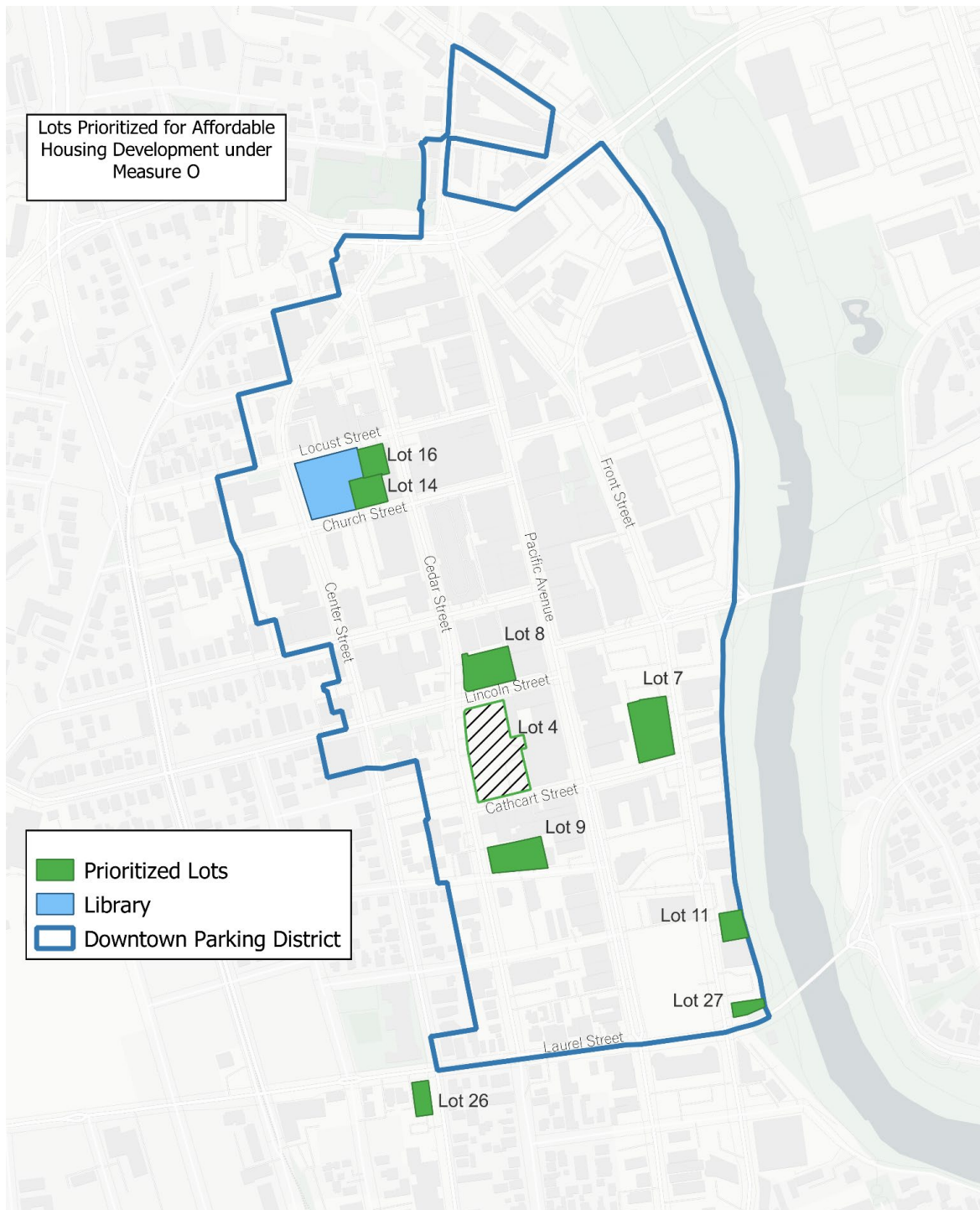
Between 2018 and 2022, new development in the Downtown has occurred on six parcels that were being used as surface parking lots (See Attachment 2 – Appendix B). This reduced the Downtown parking inventory by 230 spaces. In 2021 the City approved the replacement of 61 on-street parking spaces with outdoor dining or similar private uses spaces. The resulting net parking loss over the past four years is 291 spaces.

## **C. Parks / Community Spaces in Downtown and In Close Proximity to Downtown**

As shown in Attachment 2 – Appendix C, the City has provided a wide mix of parks and community spaces in the Downtown. Approximately 43.5 acres of large community gathering spaces are currently provided in the Downtown or in close proximity. An additional 3.75 acres of parks, small, and medium sized gathering spaces are also provided.

#### IV. EVALUATION OF MEASURE O PRIORITIZED HOUSING SITES

Measure O would prohibit the construction of additional parking facilities above ground level on the nine City-owned surface parking lot sites illustrated in green on the map below.



Measure O requires that the nine parking lots be developed as permanent affordable housing projects “to the maximum extent feasible.” However, Measure O does not define “to the maximum extent feasible.”

This section of the report describes the current uses, development standards, and affordable housing development potential for eight out of the nine parking lots identified by Measure O. Lot 4 is evaluated separately in the following section of this report.

## **A. Considerations Used in Evaluating Development Feasibility**

KMA has over 30 years of experience preparing financial evaluations of affordable housing projects being developed throughout California, including multiple projects that have been developed in Santa Cruz. KMA also prepare financial feasibility evaluations in support of inclusionary housing requirements. The evaluations consider the viability of a wide range of residential development types.

In KMA’s judgment the following are key factors to be used in assessing potential development sites:

1. Lot size;
2. Lot shape; and
3. Viable project height.

These three issues are discussed in the following sections of this report.

### **LOT SIZE**

A site’s development potential, particularly for affordable housing uses, is largely dependent on the size of the site. Specifically, the site needs to be large enough to allow for the development of a sufficient number of units to achieve economies of scale.

While there is definitely some variation in the minimum sizes of projects that obtain the outside leveraging sources needed to achieve financial viability, it is generally accepted that 50 units is the minimum project size that can be constructed and operated on a cost efficient basis. This operating threshold allows projects to absorb changes in operating conditions while limiting the impacts on the operational feasibility of the project. Furthermore, many affordable housing funding sources are structured so that affordable housing projects with more units are more competitive than affordable housing projects with fewer units.

It is important to note that California Housing Element law has established a threshold site size that should be used when evaluating sites that could accommodate affordable housing. Per California Government Code Section 65583.2(C)(2)(A) (Section 65583.2), “a site smaller than half an acre shall not be deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence to the department that the site is adequate to accommodate lower income housing.”

## LOT SHAPE

In addition to lot size, the specific dimensions and shape of a property affect the development potential of a site. All residential projects need adequate space to provide efficient circulation for things like pedestrian access to the building and to units within the buildings, trash/recycling access, vehicular access, and/or access for emergency vehicles. Rectangular sites, rather than flag-lots or small corner lots, provide the best opportunity for achieving this objective. In addition, sites that stretch from one block to another block further increase a site’s potential by providing multiple access points.

An irregularly-shaped lot can add to construction costs and reduce the number of units that can be achieved on the site. While irregular shapes can be overcome on large sites due to economies of scale, irregular lot shapes pose greater challenges on sites that are smaller, or that otherwise present marginal feasibility due to other factors.

## PROJECT HEIGHT

According to an official from the City’s building division, multi-family affordable housing projects in Santa Cruz are typically developed with up to five levels of wood frame Type III-A construction above up to two levels of podium Type I-A construction. This allows for a total building height of up to 7 stories. Taller projects would require the use of Type I construction for the entire building, which would substantially increase the project’s construction costs. Based on market and economic conditions the cost premiums associated with Type I construction would likely render a project financially infeasible.

Factors to be considered when evaluating the impacts created by the Measure O restrictions are:



1. Measure O prohibits the development of parking above the ground level, which effectively eliminates the ability to construct residential uses above a two-level podium.
2. A five story limit is applied by the Building Code for wood frame construction projects.
3. Tax Credits are the primary leveraging source for multi-family affordable housing projects, and they are awarded in an intensely competitive process:
  - a. The premium costs associated with Type I construction far exceed the cost basis limits imposed by the Tax Credits program.
  - b. This leaves a larger than typical financial gap to be filled by other assistance sources.
  - c. To maximize efficiency, it is typical to cap a project's height at a level that can be achieved with wood frame construction.

It is the KMA opinion that the Measure O prohibition on parking being provided above the ground level is unlikely to increase the number of units that can be supported on any of the prioritized housing sites. Instead the feasibility analysis should be based on the assumption that a site can reasonably accommodate at least 50 units within five or fewer stories of residential development.

## **B. Parameters Applied to Evaluate Affordable Housing Development Feasibility**

The KMA analysis of the Measure O prioritized housing sites is predicated on the following foundational assumptions:

1. The site size is 0.5-acres (21,780 square feet) or larger;
2. The maximum project height is five stories above one or two podium levels;
3. The site can reasonably accommodate 50 or more units of multi-family affordable housing; and
4. The site is rectangular in shape and could accommodate adequate circulation/ vehicle access.

## **C. Feasibility Evaluations**

KMA divided the Measure O prioritized housing sites into the lots that meet the parameters identified in the preceding subsection and those that don't. To supplement the analysis, the characteristics of each site are described.

## MEASURE O PRIORITIZED SITES WITH POTENTIAL FOR AFFORDABLE HOUSING DEVELOPMENT

The sponsors of Measure O prepared a one page summary of the eight prioritized housing sites, which KMA has included in this report as Attachment 3.<sup>14</sup> As can be seen in the summary table, the sponsors have prepared estimates of the affordable housing development yields for Lots 7, 8 and 9. KMA agrees with the assumption that these three sites could potentially be feasibly developed with affordable housing projects.

KMA’s evaluation of these three sites follows. We have ordered the discussion of these sites from the strongest to weakest as measured by the evaluation parameters described previously.

### *Lot 7: 505 Front Street*

Lot 7 is located at the northwest corner of Cathcart and Front Streets, and it consists of five parcels totaling 33,975 square feet of land area. The five parcels are described in the following table:

Lot Name	Assessor’s Parcel Number (APN)	Parcel Size (SF)
Lot 7a	005-153-03	6,098
Lot 7b	005-153-05	4,312
Lot 7c	005-153-17	11,543
Lot 7d	005-153-28	8,668
Lot 7e	005-153-29	3,354
Lot 7 Total Size (Square Feet)		33,975

Lot 7 is currently used as a surface parking lot that includes 66 parking spaces. The site is zoned Central Business District (CBD) with a General Plan Designation of Regional Visitor Commercial (RVC) and is subject to the Downtown Plan. Lot 7 is located in Additional Height Zone A, which allows for up to 85 feet of building height subject to specific criteria. The maximum floor area ratio (FAR) allowed for the site is 5.0.

KMA agrees with the Measure O sponsors that Lot 7 is one of the three most developable sites out of the City-owned lots being evaluated in this section of the report. The five parcels (7a – 7e) that

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<sup>14</sup> The Measure O sponsors’ table does not include Lot 4.

comprise Lot 7 are directly adjacent to one another. When these parcels are combined, the assembled site is approximately .78 of an acre.

KMA concluded that Lot 7 could potentially be a viable affordable housing development site for the following reasons:

1. The site size exceeds the 0.5-acre threshold identified in Section 65583.2.
2. KMA assumes that the site could potentially be developed at a density of up to 140 units per acre, which results in a yield of 109 units. This exceeds the 50 unit minimum project size KMA identified in the feasibility parameters.
3. Access to Lot 7 is provided from two primary streets. This would allow a development project to incorporate well-designed circulation including ingress/egress of emergency vehicles, as well as adequate internal drive aisles.

### *Lot 8: 710 Cedar Street*

Lot 8 is located at the northeast corner of Lincoln and Cedar Streets. Lot 8 consists of one parcel (APN: 005-075-12) comprised of approximately 21,431 square feet of land area.

Lot 8 is currently used as a surface parking lot that includes 32 parking spaces. The site is zoned CBD with a General Plan Designation of RVC and is subject to the Downtown Plan. The majority of Lot 8 is limited to a maximum height of 50 feet; however, a small portion is located in Additional Height Zone A, which allows for up to 75 feet of building height under specific conditions. The maximum FAR allowed for the site is 5.0.

The factors that led KMA to conclude that Lot 8 could be a viable affordable housing development site are:

1. The site is just slightly smaller than the 0.5 acre threshold established by Section 65583.2.
2. The site is rectangular, which typically allows for more efficient development.
3. The relatively small size of the site may make ingress/egress more difficult – especially with regards to fire department and other emergency vehicle access. Additionally, Lot 8 is located at the corner of an intersection and not a block-to-block parcel. This somewhat limits site circulation, but not to the same extent as an interior, non-corner lot.

4. KMA estimates that Lot 8 may be able to support 50 units. However, achieving this number of units might be difficult since only a portion of the site is eligible for additional height. A Section 65915 density bonus, along with the associated development standards waiver or incentives / concessions, would likely be needed to achieve the 50 unit threshold.

### *Lot 9: 120 Elm Street*

Lot 9 is located at the northeast corner of Elm Street and Cedar Street. Lot 9 consists of one parcel (APN: 005-142-09) comprised of approximately 19,732 square feet of land area.

Lot 9 is currently used as a surface parking lot that includes 46 parking spaces. The site is zoned CBD with a General Plan Designation of RVC and is subject to the Downtown Plan. The majority of Lot 9 is limited to a maximum height of 50 feet; however, a small portion at the eastern edge of the site is located in Additional Height Zone A, which allows for up to 75 feet of building height under specific conditions. The maximum FAR allowed for the site is 5.0.

The physical characteristics of Lot 9 are similar to those of Lot 8, although Lot 9 is slightly smaller than Lot 8. The issues considered KMA's finding that Lot 9 could possibly be a viable affordable housing development are:

1. Lot 9 is rectangular in size, which typically allows for more efficient development. However, Lot 9 is a fairly narrow site, and when combined with its size, it may be more difficult to achieve adequate circulation – especially with regards to ingress/egress of fire department and other emergency vehicles.
2. Lot 9 is located at the corner of an intersection and not a block-to-block parcel. This further limits site circulation, though not as much as an interior lot.
3. KMA concluded that Lot 9 could possibly accommodate approximately 50 units. However, as with Lot 8, achieving this number of units might be difficult since only a small portion of the site is eligible for additional height and the inefficiencies created by the small site size. A Section 65915 density bonus, along with the associated development standards waiver or incentives / concessions, would likely be needed to achieve the 50 unit threshold.

## MEASURE O PRIORITIZED SITES UNLIKELY TO SUPPORT AFFORDABLE HOUSING DEVELOPMENT

It is KMA’s opinion that the remaining five sites that Measure O prioritizes are not physically suitable for affordable housing development. These sites do not embody any of the characteristics identified in the evaluation parameters. The KMA analysis of each site follows.

### *Lot 11: 326 Front Street*

Lot 11 is located on the eastern side of Front Street, mid-block between Cathcart and Laurel Streets. Lot 11 consists of one parcel (APN: 005-151-35) comprised of approximately 4,400 square feet of land area.

Lot 11 is currently used as a surface parking lot that includes 24 parking spaces. The site is zoned CBD with a General Plan Designation of RVC and is subject to the Downtown Plan. Lot 11 is located in Additional Height Zone B, which allows for up to 70 feet of building height under specific conditions. The maximum FAR allowed for the site is 5.0.

The major constraints to the development of Lot 11 on a standalone basis are:

1. The site size is equal to 0.1 acres. This is significantly smaller than the 0.5 acre threshold set by Section 65583.2.
2. The small size of the site would limit the number of units that could be developed to far fewer than the 50 unit threshold.
3. Development on the eastern side of Front Street, where this parcel is located, is within the California Coastal Commission’s purview. As a result, the following applies:
  - a. A Coastal Development Permit approval is in the appeal jurisdiction of the California Coastal Commission; and
  - b. A residential-only development would likely require a Local Coastal Plan Amendment approved by the California Coastal Commission, since the Downtown Plan anticipates commercial development along much of the Front Street and Riverwalk area.

Three privately owned parcels, under one ownership, separate Lot 11 from Lot 27 – which is another Measure O priority housing development site (described below). The owner of these three parcels is currently proposing to acquire Lots 11 and Lot 27 from the City. The property owner is attempting to assemble the five parcels for the subsequent development of a 228-room hotel.<sup>15</sup>

Based on negotiations with the City to date, the developer has agreed to the following terms, which are subject to future City Council consideration and approval:

1. To acquire Lot 11 from the City for the appraised fair market value plus \$500,000.
2. The City has received \$50.5 million in grant funds to construct public paseos that will provide direct connections from the Downtown to Riverwalk.<sup>16</sup> The hotel developer has agreed to construct a public paseo, that is required to be located on the City-owned lot (APN: 005-151-034), at no cost to the City.
3. To provide guests with the opportunity to contribute \$0.50 to \$1.00 per room per night for affordable housing.

### **Lot 27: 302 Front Street**

Lot 27 is located at the northeast corner of the intersection of Laurel and Front Streets. It is important to understand that Lot 27 solely consists of a landscaped area and a right-of-way easement for the adjacent public road. Lot 27 does not contain any public parking spaces. Rather, there is a privately owned surface parking lot adjacent to Lot 27 (APN: 005-051-043).

Lot 27 consists of one parcel (APN: 005-151-48) and is comprised of approximately 5,052 square feet of land area, which includes the right-of-way easement for the adjacent road. Lot 27 is zoned CBD with a General Plan Designation of RVC and subject to the Downtown Plan. Lot 27 is located in Additional Height Zone B, which allows for up to 70 feet of building height under specific conditions. The maximum FAR allowed for the site is 5.0.

Given right-of-way easement and slope issues, the developable portion of Lot 27 is quite small. The developer of the proposed hotel is negotiating to purchase Lot 27 from the City. If the purchase is

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<sup>15</sup> The privately owned properties are: APNs 005-151-51, 005-151-29, and 005-151-43. The City-owned properties are Lot 11 (APN: 005-151-35) and Lot 27 (APN: 005-151-48).

<sup>16</sup> The grants were provided by HCD from the Infill Infrastructure Grant Program (IIG) and the Affordable Housing and Sustainable Community Program (AHSC).

executed, the hotel developer plans to complete a lot line adjustment to remove the street easement and right-of-way areas. However, the purchase price for Lot 27 is proposed to be based on the entire site (inclusive of the right-of-way and street easements).

### *Lots 14 and 16*

Lot 14 is located at 224 Church Street and Lot 16 is located at 224 Church Street. However, Lot 16 is only accessible from Locust Street. In the summary table prepared by the sponsors of Measure O Lots 14 and 16 are combined into one development parcel totaling 15,812 square feet of land. The characteristics of these two sites can be described as follows:

1. The sites are both currently used as surface parking lots. Lot 14 has 22 spaces and Lot 16 has 38 spaces.
2. Both sites are zoned CBD with a General Plan Designation of RVC and subject to the Downtown Plan:
  - a. The maximum height is set at 35 feet; and
  - b. The maximum FAR is 5.0.

The constraints associated with the development of these sites are:

1. The two sites combined total 0.36 acres. This is significantly smaller than the 0.5 acre minimum threshold size established by Section 65583.2.
2. The 35 foot height limit reduces the achievable unit count. A Section 65915 density bonus, and its associated development standards waivers or incentives / concessions would need to be used to achieve additional height.
3. While each site alone is rectangular in shape, the assembled site is irregularly shaped. This negatively impacts the project's efficiency by constraining the achievable unit count and increasing the development costs.

### *Lot 26: 409 Laurel Street and 241 Center Street*

The two parcels that comprise Lot 26 can be described as follows:

Lot Name	APN	Parcel Size (SF)
Lot 26A	007-012-01	3,528
Lot 26B	007-012-02	3,528
Lot 26 Total Size (Square Feet)		7,056

Lot 26A and 26B are located outside the boundaries of the Downtown Plan. These lots represent a portion of a site that is currently used as the parking lot for the Santa Cruz Police Department, which also includes 10 public parking spaces.

The Lot 26 development standards allow for up to 50 feet of building height, and the maximum FAR is 2.5. The site is subject to the setback requirements imposed by the adjacent district – the Neighborhood Commercial (C-N) District. This includes a 26-foot front setback that is measured 26 feet from the centerline of Laurel Street. In addition, the exterior side setback is set at 10 feet.

The major constraints to the development of Lot 26 are:

1. The 0.16 acre site is significantly smaller than the 0.5 acre threshold set by Section 65583.2;
2. The height, FAR, and setback requirements that significantly reduce the developable area, even with Section 65915 density bonus development standards waivers and incentives / concessions; and
3. Both the practicality and the costs associated with replacing the parking spaces that are currently being used by the Santa Cruz Police Department.

#### **D. Other Issues: Measure O Prioritized Affordable Housing Sites**

Five of the City-owned surface parking lots identified in Measure O are of sub-standard size and/or shape to develop affordable housing. In order to accommodate affordable housing projects of a size necessary to secure financing and achieve economies of scale for construction and operations, these City-owned lots would likely need to be combined with adjacent privately owned land. However, assemblage opportunities are limited by the premium costs associated with purchasing improved properties.



Measure O also creates assemblage constraints by imposing new zoning restrictions that are unique to the City-owned surface parking lots in the Downtown. Most notably, assembled sites would have conflicting ground floor development standards. As a practical matter this conflict would potentially reduce the development potential for the privately owned sites, and could reduce the attractiveness of the sites to affordable housing developers due to the added complexity of the varying regulations.

It is also important to consider that Measure O limits the number of above ground parking levels that can be constructed. As a result, Measure O would eliminate the City's ability to consolidate public parking on fewer City-owned sites. This, in turn, will limit the City's ability to free up future opportunity sites for additional affordable housing development.

## V. ANALYSIS OF THE DOWNTOWN LIBRARY & AFFORDABLE HOUSING PROJECT

### A. Downtown Library & Affordable Housing Project Chronology

The Santa Cruz Public Libraries commenced a comprehensive facilities master planning process in 2013. The activities that followed can be summarized as follows:

1. Measure S was passed in 2016.
2. The DLAC was formed in 2018. After a comprehensive evaluation, and extensive public outreach, the DLAC recommended that the City Council approve the construction of a new Downtown Library on Lot 4.<sup>17</sup> The City Council directed the City staff to conduct additional public outreach before any action would be taken.
3. The City Council formed a Council Subcommittee in May 2019 to evaluate the Downtown Library options. The Subcommittee met over the course of a year, and then the matter was brought back to the City Council in June 2020.
4. In June 2020, the City Council reaffirmed the goals established by the DLAC and directed City staff to take the following actions:
  - a. Conceptually approve, subject to appropriate environmental review and the required permit process, and give direction to City staff to proceed with the design and development of a mixed-use project on Lot 4 that includes:
    - i. Relocation of the Downtown Library to the ground floor of a mixed-use project on Lot 4;
    - ii. Construction of an affordable housing project containing at least 50 low income units;
    - iii. Inclusion of a parking garage with no more than 400 parking spaces; and
    - iv. A requirement that the building cannot exceed the height of the University Town Center development, or if this is not possible, the development of 1010 Pacific.

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<sup>17</sup> Lot 4 is a 1.37 acre site located along the eastern side of Cedar Street between Lincoln and Cathcart Streets.

- b. To proceed with the selection of an owner’s representative to manage the overall project implementation and a competitive RFP/RFQ process for selection of a design build team.
  - c. To work with the selected owner’s representative and Design Build team to initiate a community outreach process based off the preliminary “Option D” concept developed by Group 4, and to return to the City council with preliminary project design options for consideration.
  - d. To reach out to the community to obtain feedback on the proposed design for the new library, and the potential redevelopment options for the existing Downtown library site; and to return to the City Council with preliminary project design options for consideration.
  - e. To initiate a public process, prior to the start of construction of the mixed-use project, to consider reuse of the current library site, including affordable housing, a community commons and other public uses.
  - f. To report back to the City Council to provide:
    - i. Detailed financial information pertaining to each component of the mixed-use project;
    - ii. A work program and timeline for implementing the mixed-use project that includes a public engagement process; and
    - iii. General schematics showing the integration of the mixed-use project components.
  - g. To re-engage with the Farmers’ Market and to move forward with the City Council directions from June 12, 2018 to execute an agreement, and develop a design for a permanent home on Lot 7.
5. In 2021, the City staff commenced the activities required to pursue the development of the City Council approved conceptual development scope for the proposed Downtown Library & Affordable Housing Project.

## B. Key Evaluation Issues

### DOWNTOWN LIBRARY

#### *2018 Analysis*

In 2018, the DLAC evaluated the following options for addressing the future library needs:

1. Partial renovation on the existing Downtown Library site;
2. Full renovation on the existing Downtown Library site;
3. Construction of a new library on the existing Downtown Library site; and
4. Construction of a new Downtown Library on Lot 4.

The results of this evaluation can be summarized as follows:

1. The Measure S funds that were set aside for the Downtown Library were deemed to be sufficient to partially renovate the existing library, but that most if not all of the funding would need to be used to replace and upgrade library infrastructure. These improvements would not improve the library layout or user experience.
2. The architects estimated that a full renovation of the existing Downtown Library would exceed the partial renovation costs by over \$10 million.
3. The cost to construct a new Downtown Library on its existing site was estimated to exceed the funding set aside by more than \$20 million.
4. It was concluded that a new library could be constructed on site, within the budget, but it could only include approximately 50% of the recommended square footage. This would result in a significant reduction in services that the library would no longer be able to provide.

Each of the preceding options were determined not to meet the needs of the community due to inadequate space, excessive cost, or both. Comparatively, it was concluded that the construction of a new library on Lot 4 would meet all the project needs including cost parameters. The reason for this is that by sharing infrastructure costs with the other project uses, the overall projects costs per use are significantly lower than for standalone uses.

## 2022 Comparative Analysis

In 2022, the City commissioned a comparative analysis of the costs and amenities associated with the construction of a new Downtown Library vs a renovation of the existing library. The results of this analysis are summarized in the following table:

2022 Comparative Downtown Library Analysis		
	Downtown Library Estimates	
	Renovate Existing Library	Downtown Library & Affordable Housing Project
Library Building Area		
Total Building Area (Square Feet)	30,230	38,090
Children’s Area (Square Feet)	5,270	5,700
Teens Area (Square Feet)	760	800
Adults’ Area (Square Feet)	9,710	11,280
Outdoor Program Area (Square Feet)	3,150	3,400
Community Room	Included	Included
Meeting Room	Included	Included
Group Study Rooms	Two	Six
Local History Room	Included	Included
Roof Deck	Not Included	Included
Sustainability		
Green Certification	None	LEED Gold Certified
Area of Planting (Square Feet)	6,570	12,170
Solar Power	None	270 KW (Net Zero)
Fossil Fuels	Natural Gas	No Reliance
Library Development Cost		
Total	\$40.3 million	\$42.6 million
Per Square Foot of Building Area	\$1,333	\$1,118

As can be seen in the preceding table, the estimated total cost to renovate the existing Downtown Library is approximately equal to the cost associated with building a new Downtown Library in a mixed-use project on Lot 4. However, the following differences should be taken into account in the comparative analysis:

1. The new construction alternative is nearly 8,000 square feet larger (26%) than the renovation alternative.
2. The new construction alternative includes the following amenities that are not included in the renovation alternatives:
  - a. A roof deck;
  - b. LEED Gold certification;
  - c. Additional planting area including a net increase in the number of trees with the new library project as compared the existing condition;
  - d. Use of solar power; and
  - e. The project has no reliance on fossil fuels.
3. While the total project cost is approximately equal between the two alternatives, the cost per square foot of building area is approximately 21% less for the new construction alternative.

### **C. Loss of Downtown Public Parking Spaces**

Between 2018 and 2022, there was a net loss of 230 off-street parking spaces and 61 on-street spaces for a total loss of 291 public parking spaces in the Downtown. There is the potential for up to an additional 218 public parking spaces to be removed from the inventory if some or all of the following development activity occurs:

Lot	Potential Development	Lost Public Parking Spaces
4	Downtown Library & Affordable Housing Project	134
11	Part of the Proposed Hotel Development	24
14	Re-use of the Existing Downtown Library Site	22
16	Re-Use of the Existing Downtown Library Site	38
	Potential Additional Loss of Downtown Public Parking Spaces	218
	Net Loss of Downtown Public Parking Spaces – 2018 - 2022	291
	Maximum Loss of Downtown Public Parking Spaces	509

As currently planned, the parking garage included in the Downtown Library & Affordable Housing Project will include between 245 and 345 parking spaces. This will leave a net loss of 164 to 264 Downtown public parking spaces.

As noted in Section III of this report, multiple Downtown projects that are currently underway or in the planning stages had their residential parking standards waived via the parking relief provided by the Section 65915 density bonus. While these projects will not provide private parking on site, the demand generated by these projects will be borne by the dwindling supply in the Downtown Parking District.

## D. Potential Measure O Impact on Downtown Housing Development

### ALTERNATE LOT 4 HOUSING DEVELOPMENT

The sponsors of Measure O contend that an affordable housing project can be built on Lot 4 under the use requirements imposed by Measure O. While this is theoretically possible, the achievable scope of development would be impacted by the Measure O requirement to maintain a permanent location, or to construct a permanent facility, on Lot 4 for the Farmers’ Market.

### REDEVELOPMENT OF THE EXISTING DOWNTOWN LIBRARY SITE

If the Downtown Library & Affordable Housing Project is developed, the existing Downtown Library site would become available for development. In 2021 over 700 members of the public participated in a re-visioning process for the site. The ranked order preference for the reuse of the site is as follows:

1. Mixed-use housing with a civic plaza.
2. Plaza + park with housing.
3. A repurpose of the library structure with parking.

It is important to note that the development potential for Lots 14 and 16 (Measure O prioritized housing sites) can be maximized if these lots are consolidated with the existing Downtown Library site to make a 1.4 acre development site. The combined parcel would be rectangular in shape, it would span block-to-block from Church Street to Locust Street, and it would have three street frontages.

A site of this size could definitely support more than 50 units. In fact, it is possible that upwards of 100 units could be supported depending on the other uses that are included in the project and whether a Section 65915 density bonus is sought to obtain development standards waivers and incentives / concessions. Based on the quality of the development site, the results of the re-visioning process, and the City's proven ability to implement affordable housing projects, it is very likely that absent the restrictions imposed by Measure O, this site would represent one of the most desirable affordable housing development sites in the Downtown.

## **E. Farmers' Market Permanent Location**

The City and representatives of the Farmers' Market have been working collaboratively on a Memorandum of Understanding that is intended to result in a permanent home for the Farmers' Market. The Farmers' Market Board is expected to take action on the Memorandum of Understanding in the Fall of 2022, focused on achieving the following objectives:

1. To achieve a permanent location for the Farmers' Market in the downtown area;
2. To receive financial support from the City in creating a permanent Farmers' Market;
3. To operate year-round on an improved site that provides both permanent structures such as Butler Buildings, and an enhanced community gathering space area; and
4. To expand operations at the permanent location, including special events and operating in addition to the current weekly market.



The City has identified Lot 7 as the best suited permanent home for the Farmers' Market, and has committed \$1,775,000 towards constructing permanent improvements on this site. If the Downtown Library & Affordable Housing Project is to be built on Lot 4 it will not be possible for the Farmers' Market to continue to use Lot 4 its weekly market.

## F. Downtown Library & Affordable Housing Project Funding

The City and development team representatives have been working on securing financing for the Downtown Library & Affordable Housing Project. The following describes the funding sources secured to date, and the proposed funding sources that still need to be secured:

### SECURED FUNDING SOURCES

1. Lot 4 is owned lien-free by the City and will be contributed to the project at no cost.
2. A minimum of \$25 million in Measure S funds have been set aside for the Library component of the project. These funds must be spent within three years following the commencement of construction.
3. The City has been awarded a \$2 million congressional earmark that was specifically designated for a project that includes library and affordable housing components. These funds will be lost if the mixed-use project with a library component does not move forward.
4. The City received \$3.1 million in Local Housing Trust Funds (LHTF) from the State of California Housing and Community Development Department (HCD) to be contributed to the project's affordable housing component.
5. The City received a \$240,000 grant from Central Coast Community Energy for its commitment to utilize an all-electric project that is sustainable to the environment by providing clean energy.
6. The City has committed to contribute sufficient funds from the Parking Enterprise Fund to cover the cost of constructing the public parking included in the Downtown Library & Affordable Housing Project. The City adopted a parking rates strategy that increased parking prices across the Downtown Parking District in order to finance the parking component of this project.

## FUNDING SOURCES TO-BE-SECURED

1. The development team will apply for affordable housing funding from the following programs:
  - a. Lenders have been identified to provide a conventional permanent loan in the range of \$78 million.
  - b. The State of California’s affordable housing Super NOFA with an expected application deadline of January 2023.
  - c. After receipt of a Super NOFA award, the project will apply for Tax Credits, which are estimated to have a value of approximately \$43 million.
  - d. The project will apply to the Federal Home Loan Bank of San Francisco for an award of Affordable Housing Program (AHP) funds.
2. The funding sources that are being sought for the library component of the project are:
  - a. The Friends of the Santa Cruz Public Libraries have agreed to launch a fundraising campaign with the goal of raising \$2.5 million.
  - b. In Spring 2022 the City submitted an application to the State of California for a \$10 million Building Forward Library Infrastructure Program grant. While the City did not receive an award during the program’s first funding round, a new application will be submitted during the next funding round.

## FINANCIAL FEASIBILITY ISSUES

The development team of Eden Housing and For the Future of Housing (FFH) have extensive experience developing affordable housing projects that are financed with a combination of debt and federal, state, county and city assistance programs. The proposed development scope and the proposed income and affordability standards were devised to maximize the project’s competitiveness for the award of the funding sources identified above.

The City and the development team have both invested a significant amount of money and time in the predevelopment stages of this proposed project. If the Downtown Library & Affordable Housing Project is prohibited from going forward as the result of Measure O, these resources will be lost.

## VI. ESTIMATED FISCAL IMPACTS

### A. Direct Fiscal Impacts

The direct fiscal impacts that will be incurred by the City if Measure O is enacted consist of the following:

1. The City has spent nearly \$2.0 million in architecture and design costs specifically related to the scope of development for the Downtown Library & Affordable Housing Project.
2. The \$2.0 million congressional earmark is specifically targeted to the Library component of the Downtown Library & Affordable Housing Project.
3. The \$3.1 million LHTF grant provided by HCD must be completely disbursed within 60 months after an agreement is executed by HCD and the City. The City received the LHTF grant 18 months ago, which leaves 42 months in which to disburse the funds.

The direct fiscal impacts are estimated at \$7.1 million.

### B. Indirect Fiscal Impacts

#### *Surplus Parking Revenue*

Measure O defines “surplus parking revenue” as

“...revenue determined by the City Council to be in excess of what is required in order to maintain, improve or expand existing parking facilities or create new parking facilities in the Downtown Parking District.”

A final determination has not been made as to the legality of diverting Downtown Parking District funds to affordable housing or other non-parking related uses. However, it is important to understand that historically, between budgeted costs and unfunded liabilities, the Downtown Parking District has never generated surplus parking revenue. Given that this is likely to continue to be the case throughout the foreseeable future, as a practical matter, it is unlikely that surplus parking funds will be generated for the uses contemplated by Measure O.

### *Future Development Opportunities*

Measure O imposes new zoning restrictions that are unique to the City-owned surface parking lots in the Downtown. Restrictions that generate negative fiscal impacts include:

1. Measure O prohibits the City from consolidating public parking on fewer City-owned sites. The enactment of Measure O would limit the City's ability to free up future opportunity sites for affordable housing development.
2. The City's ability to include ground-floor commercial uses would be prohibited on the City-owned sites identified in Measure O.

Each of the Measure O constraints to development create a corresponding negative effect on potential City revenues, such as property tax, sales tax, and parking revenues. The exact amount of negative fiscal impact resulting from Measure O cannot be accurately predicted, but it can be assumed that the implementation of the Measure O restrictions would likely generate long-term negative fiscal impacts on the City.

## VII. MEASURE O CONSISTENCY WITH GENERAL PLAN & DOWNTOWN PLAN

### A. Role of the General Plan

The City uses the General Plan as a key guiding document, not just for land use decisions, but also for a wide array of social and economic decisions. In its introduction, the General Plan 2030 states that the plan:

1. Expresses the desires of the Santa Cruz community about the City's future physical, social, economic, cultural and environmental character.
2. Builds on efforts and visions of the past to define a realistic vision of what the City can be in 20 – 25 years.
3. Establishes what the community wants to reinforce or change, and provides guidelines for change while preserving environmental resources, generating economic stability, and maintaining public services and facilities at adequate levels.
4. Serves as a comprehensive and everyday guide for making decisions about the nature and location of economic and urban development and transportation improvements.
5. Protects natural resources and the public health and safety, and ensures consistency of City actions, while providing the flexibility to respond to changing needs and times.
6. Serves as the City's "constitution" for conservation, land use, and community development, providing the legal foundation for all zoning and subdivision ordinances, decisions, and projects – all of which must be consistent with the General Plan.

### B. Impacts Created by Measure O

Measure O makes and requires numerous modification to be made to the General Plan and the Downtown Plan. The City's Planning Department staff prepared a detailed analysis of the impacts created by the proposed modifications. A brief summary of the issues that are described in Planning Department analysis follows:

1. The language used in many of the provisions included in Measure O is ambiguous and subject to multiple interpretations.

2. The ambiguity and the inflexible restrictions imposed on how specified sites can be developed could actually create barriers to the attraction of affordable housing projects on the sites prioritized in Measure O. Quality affordable housing developers may be deterred from accepting the entitlement risks associated with developing in Santa Cruz when other communities have readily available sites and known and understood zoning requirements.
3. Potential impacts on the development of Lot 4 include:
  - a. The construction of a new Downtown Library on Lot 4 is expressly prohibited.
  - b. The inclusion of a childcare facility in a development on Lot 4 is likely prohibited.
4. Ambiguous language leads to the following potential interpretations of the Measure O requirements that would be imposed on each of the sites prioritized in Measure O:
  - a. That ground floor commercial uses are not allowed.
  - b. That mixed-use development is not allowed.
  - c. That commercial development would not be allowed anywhere in the project.
5. The Measure O requirements negatively impact the City's fiscal stability by prohibiting commercial, retail, and hotel uses on any of the prioritized sites.
6. Measure O limits parking options by prohibiting the construction of above-grade multi-level parking garages. Parking structures allow for much more efficient use of land than is provided by surface lots.

## C. Conclusions

KMA agrees with the Planning Department's assessment that Measure O is not in alignment with the City's key guiding documents. Measure O directly conflicts with many policies included in the General Plan, Housing Element, and the Downtown Plan, particularly when comparing the proposed Measure O requirements to existing City regulations.

**ATTACHMENT 1**  
**DOWNTOWN LIBRARY & AFFORDABLE HOUSING PROJECT**  
**CHRONOLOGY OF EVENTS**

In 2013, the Santa Cruz Public Libraries engaged in a comprehensive facilities master planning process. This led to the voter approved 2016 Measure S bonds, which provide funding to address library facility needs across the system. Funding for the Downtown Library was specifically identified as an urgent need. The City Council called for the formation of a Downtown Library Advisory Committee (DLAC) to comprehensively examine the current facility, and to evaluate the feasibility options and costs for developing a Downtown Library branch that meets the needs of the community and voters.

## 2018 ACTIVITIES

At a study session held on June 19, 2018, the DLAC recommended that the City Council approve the development of a new Downtown Library as part of a mixed-use project on the City-owned parcel located on Cedar Street between Cathcart and Lincoln Streets (Lot 4). At the study session City staff was directed to conduct additional outreach prior to the City Council taking any action.

A community outreach process was undertaken in July and August that included more than 1,000 contacts, outreach meetings with community groups, one-on-one small group meetings, and an Open House. During that time the DLAC evaluated multiple options for addressing future library needs, including:

1. Partial renovation on the existing site;
2. Full renovation on site; and
3. New construction on site.

The findings of the analyses can be summarized as follows:

1. Renovation Alternatives:
  - a. The budgeted Measure S funds were only sufficient to replace and upgrade the library infrastructure. Funds would not be available to improve the library layout or user experience.
  - b. A full renovation of the library was estimated by architects to exceed the project budget and funding by over \$10 million.
2. On- Site New Construction Alternatives:



- a. New construction of the full library scope was estimated to exceed the project budget and funding by more than \$20 million.
- b. To stay within the allocated budget the library would need to be set at half the recommended size. This would result in a significant reduction in services that the library would no longer be able to provide.

On September 6, 2018, the DLAC made a presentation to the City Council where they continued to recommend that a new downtown library be developed on Lot 4. However, it was also disclosed that a number of concerns had been brought forward at the community meetings.

The City Council accepted the DLAC recommendation and authorized the following activities:

1. Proceeding with the selection of an owner's representative to manage the overall project implementation; and
2. The issuance of an RFP/Q for the selection of a Design-Build project team.

## 2019 ACTIVITIES

At a meeting held on May 14, 2019, the City Council placed the Library Mixed-Use Project on hold and formed a Council Subcommittee to investigate alternatives. The Subcommittee met over the course of a year. They engaged with project stakeholders, received presentations from City staff and external consultants, and worked with architecture firms to complete cost assessments for the renovation and mixed use project options. The Council Subcommittee ultimately recommended that a new library be incorporated into a mixed use project on Lot 4.

## 2020 ACTIVITIES

There continued to be concern that there was significant confusion in the community about the specifics of the proposal as well as the existence of viable alternatives and opportunities. To alleviate this concern it was concluded that the City Council should evaluate the project again prior to the City proceeding with further work.

The City Council reconvened on this matter on June 15, 2020 and reaffirmed the goals established by the DLAC. They also took the following actions:

1. Conceptual approval was provided, subject to environmental review and the required permit process, to proceed with the design and development of a Library Mixed-Use Project on Lot 4.
2. Height restrictions were recommended.
3. Approval was provided for the use of an RFP/Q process to engage a Design-Build team.
4. City staff was directed to undertake the following activities:
  - a. To initiate a community outreach process regarding project design, based off the preliminary Option D concept developed by Group 4, and to return to the City Council with preliminary project design options for consideration.
  - b. Prior to the start of construction on the Downtown Library & Affordable Housing Project a public process was to be initiated to consider reuse options for the site of the existing Downtown Library, including affordable housing, a community commons and other public uses.
  - c. To provide a report to the City Council that contained the following information:
    - i. Detailed financial information regarding each component of the mixed-use project.
    - ii. A work program and timeline for implementing the affordable housing units, library, and parking garage, including a public engagement process.
    - iii. General schematics showing the integration of the library, housing, parking, and commercial use components.
  - d. To re-engage with the Farmers' Market and to develop a design for a permanent downtown Farmers' Market on Cathcart and Front Streets (Lot 7).

## 2021 ACTIVITIES

### CITY ACTIVITIES

1. The project name was changed to the Downtown Library & Affordable Housing Project.

2. Griffin Structures commences work as the owner’s representative for the Downtown Library & Affordable Housing Project on behalf of the City.
3. Eden Housing and For the Future Housing (FFH) were selected as the affordable housing developer to build the 100% affordable component of the Downtown Library & Affordable Housing Project.
4. The re-visioning process is completed for the site on which the existing Downtown Library is currently located. The recommendations were that the site should be redeveloped with the following uses:
  - a. Affordable housing;
  - b. Community serving uses; and
  - c. A potential permanent location for the Farmers’ Market.
5. A first round of library user and stakeholder meetings were conducted followed by three facilitated public meeting on the conceptual library design were held.
6. The City staff, with the cooperation of the Farmers’ Market Board, commenced relocation discussions related to a new permanent downtown location for the Farmers’ Market.
7. The City Council approved an updated site concept and design for the Downtown Library & Affordable Housing Project on lot 4. The updated development scope included:
  - a. A two-story library;
  - b. 100 to 125 affordable housing units; and
  - c. Up to 310 parking spaces.

## OUR DOWNTOWN, OUR FUTURE PETITION DRIVE

In November 2021 a group presented a “Notice of Intent to Circulate Petition and Statement of Reasons”. The purpose of this petition was to establish the following policies:

1. To address the City's housing crisis by prioritizing development of affordable housing on specified City-owned properties in Downtown Santa Cruz;

2. To maintain the Downtown Farmers' Market and Downtown Library, important community institutions, at their current locations;
3. To prevent the construction of a multi-level parking garage Downtown that transportation consultants to the City have concluded is unnecessary. The garage would contribute to increased greenhouse gas emissions.
4. To prioritize the expenditure of surplus parking revenue for:
  - a. Promoting development of affordable housing Downtown,
  - b. Supplementing 2016 Bond Measure S funding to renovate and modernize the Downtown Library,
  - c. Making improvements to the public space hosting the Downtown Farmers' Market; and
  - d. Providing funding for transportation demand management programs that reduce vehicle trips and make more parking available to visitors.
5. Measure O further directs City officials to make any further conforming changes to the General Plan, Downtown Plan, Zoning Ordinance, and/or Local Coastal Program that are necessary and appropriate to comply with this Measure and State law.

## 2022 ACTIVITIES

### CITY ACTIVITIES

An update on the Downtown Library & Affordable Housing Project was presented to the City Council on May 1, 2022. The update consisted of the following:

1. The proposed schematic design for the library.
2. The results of the community outreach related to the proposed schematic design.
3. Budget estimates for the scope of development being proposed for the library.
4. Budget comparisons for:
  - a. A renovation alternative for the existing library facility;

- b. New development of a library on Lot 4:
- c. The base development scope; and
- d. The base development scope plus zero net energy and a roof deck patio.
- e. New standalone development on the site of the existing Downtown Library.

On May 1, 2022 a pre-application was submitted to the City for the following development scope of Lot 4:

Scope of Development May 1, 2022 Pre-Application	
Library	38,086 square feet
Library Rooftop Patio	3,406 square feet
Parking	336 <sup>18</sup>
Affordable Housing	124 units
Daycare	1,231 square feet
Daycare Play Area	674 square feet
Commercial	9,598 square feet
<b>Total Gross Building Area</b>	<b>307,968 square feet</b>

### OUR DOWNTOWN, OUR FUTURE PETITION DRIVE

The initiative petition was filed with the County Clerk of Santa Cruz County on May 3, 2022. The County Clerk validated and certified the requisite number of signatures on June 14, 2022.

### CITY COUNCIL ACTIVITIES

On June 28, 2022, the City Council requested a report that identifies the impacts that could potentially be generated by the implementation of the requirements imposed by the initiative. The City subsequently engaged KMA to prepare the impact report.

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<sup>18</sup> Currently, between 245 and 345 parking spaces are being considered.

**ATTACHMENT 2  
DOWNTOWN CONTEXT TABLES**

**ATTACHMENT 2 - APPENDIX A**

**DOWNTOWN HOUSING DEVELOPMENT PIPELINE**

**DOWNTOWN CONTEXT TABLES**

**MEASURE O REPORT**

**SANTA CRUZ, CALIFORNIA**

ATTACHMENT 2 - APPENDIX A - TABLE 1

DOWNTOWN PIPELINE RESIDENTIAL PROJECTS: 100% AFFORDABLE HOUSING UNITS  
 MEASURE O REPORT  
 SANTA CRUZ, CALIFORNIA

Categories	Pacific Station South	Cedar Street Apartments	Pacific Station North	Total	Lot 4
<b>I. Status</b>	Under Construction	Under Construction	Approved		Proposed
<b>II. Anticipated Year Online</b>	2024	2024	2026		2026
<b>III. Number of Units</b>					
Studios	10		12		13
One Bedroom	20	30	49		48
Two Bedrooms	19	16	34		32
Three Bedrooms	21	19	32		31
<b>Total Number of Units</b>	70	65	127	262	124
<b>IV. Affordability Mix</b>					
30% of AMI	29%		33%		22%
40% of AMI	29%	40% to 60% of AMI with			
50% of AMI	27%	25% PSH Units	34%		65%
60% of AMI	16%		33%		13%
<b>Total</b>	100%		100%		100%
<b>V. Non-Residential Area (Sq. Ft.)</b>	20,997	2,220	16,763	39,980	46,500
<b>VI. Parking</b>					
<b>A. Parking Required by Resolution</b> <sup>1</sup>	229	125	267	621	332
<b>B. Net Parking Requirements</b> <sup>2</sup>					
Residential	0	0	0	0	0
Non-Residential	98	7	42	147	116
<b>Net Parking Requirements</b>	98	7	42	147	116
<b>C. Parking Provided</b>	0	0	0	0	245 - 345
<b>D. Parking Shortfall: Non-Residential</b> <sup>3</sup>	98	7	42	147	
<b>E. Unmet Demand for Off-Site Parking</b> <sup>4</sup>	229	125	267	621	

<sup>1</sup> Excludes any parking relief available to affordable housing units that is provided by any State or City reductions in parking standards.

<sup>2</sup> The Net Parking Requirements are limited to the spaces required by Code to serve the commercial uses.

<sup>3</sup> Equal to the difference in the number of spaces between the Net Parking Requirements for the Non-Residential Uses and the Parking Provided.

<sup>4</sup> Equal to the difference in the number of spaces between the Parking Required by Resolution and the Parking Provided.



ATTACHMENT 2 - APPENDIX A - TABLE 2

DOWNTOWN PIPELINE RESIDENTIAL PROJECTS: PRIVATE DEVELOPMENT  
 MEASURE O REPORT  
 SANTA CRUZ, CALIFORNIA

Categories	514, 516, 518, 524 & 530				Total
	Front Riverfront	Front	Pacific Front Laurel	1013 Pacific	
<b>I. Status</b>	Approved	In Process	Under Construction	Approved	
<b>II. Anticipated Year Online</b>	2024	2024	2023	2025	
<b>III. Section 65915 et seq. Density Bonus</b>	Yes	Yes	No	No	
<b>IV. Number of Units</b>					
SRO/Studios	53	169	49	12	
One Bedroom	89	102	99	5	
Two Bedrooms	33	5	57		
<b>Total Number of Units</b>	175	276	205	17	673
<b>V. Number of Affordable Units</b>	20 <sup>1</sup>	37 <sup>1</sup>	0 <sup>2</sup>	2 <sup>3</sup>	59
<b>VI. Non-Residential Area (Sq. Ft.)</b>	17,557	6,006	10,662	4,342	38,567
<b>VII. Parking</b>					
<b>A. Parking Required by Resolution</b> <sup>4</sup>	252	296	289	28	865
<b>B. Net Parking Requirements</b>					
Residential	88 <sup>5</sup>	138 <sup>5</sup>	262	17	515
Non-Residential	45	32	27	11	115
<b>Net Parking Requirements</b>	133	170	289	28	630
<b>C. Parking Provided</b>	187	181	252	0	620
<b>D. Parking Excess / (Shortfall)</b> <sup>6</sup>	54	11	(37)	(28)	0
<b>E. Unmet Demand for Off-Site Parking</b> <sup>7</sup>	65	115	37	28	245

<sup>1</sup> The project is subject to Section 65915 et seq. density bonus requirements and affordable housing requirements imposed by the City's inclusionary housing program.

<sup>2</sup> The affordable housing requirements were fulfilled with a land dedication.

<sup>3</sup> The affordable housing units are provided to fulfill the City's inclusionary housing requirements.

<sup>4</sup> Does not include reductions for any parking relief available to affordable housing units that is provided by any State or City reductions in parking standards.

<sup>5</sup> The required parking is adjusted to reflect the reduction or elimination of parking standards allowed by Section 65915 (p).

<sup>6</sup> Equal to the difference in the number of spaces between the Net Parking Requirements for the Net Parking Requirements Uses and the Parking Provided.

<sup>7</sup> Equal to the difference in the number of spaces between the Parking Required by Resolution and the Parking Provided.

**ATTACHMENT 2 - APPENDIX B**

**DOWNTOWN PUBLIC PARKING INVENTORY**

**DOWNTOWN CONTEXT TABLES**

**MEASURE O REPORT**

**SANTA CRUZ, CALIFORNIA**

ATTACHMENT 2 - APPENDIX B

DOWNTOWN PUBLIC PARKING INVENTORY  
 MEASURE O REPORT  
 SANTA CRUZ, CALIFORNIA

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	<u>Year Removed</u>	<u>Number of Spaces</u>	<u>Totals</u>
<b>I. <u>Off-Street Spaces Removed by New Development</u></b>	<sup>1</sup>		
Lot 2- behind Bank of the West	2018	26	
Lot 5- Calvary Church Redevelopment	2022	108	
Lot 12- METRO	2022	15	
Lot 22- Doug Ross	2022	25	
Lot 23- Devcon/Lawlor project	2021	24	
Laurel/Front Portion of Proposed Hotel Site - 005-151-43	<sup>2</sup> 2022	32	
<b>Total Off-Street Spaces Removed by New Development</b>			230
<b>II. Lost Parking Spaces - Outdoor Dining or Similar Private Uses</b>	2021		61
<b>III. <u>Net Reduction in Downtown Parking Spaces</u></b>			<b>291</b>

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<sup>1</sup> None of these properties are subject to the Measure O Provisions.

<sup>2</sup> The map included in Measure O treats this parcel as part of Lot 27. This parcel is actually privately owned (APN #005-151-43), and is currently improved with surface parking. The adjacent City-owned Lot 27 (APN #005-151-48) is actually vacant landscaped land.

**ATTACHMENT 2 - APPENDIX C**

**PARKS / COMMUNITY SPACES IN DOWNTOWN AND  
IN CLOSE PROXIMITY TO DOWNTOWN  
DOWNTOWN CONTEXT TABLES  
MEASURE O REPORT  
SANTA CRUZ, CALIFORNIA**

**PARKS / COMMUNITY SPACES IN DOWNTOWN AND IN CLOSE PROXIMITY TO DOWNTOWN  
MEASURE O REPORT  
SANTA CRUZ, CALIFORNIA**

**I. Existing Parks / Community Spaces**

	Approximate Land Area		
	Square Feet	Acres	
<b>A. Large Community Gathering Spaces</b>			
Laurel Street Park / London Nelson Community Center	77,150	1.77	
San Lorenzo Park Benchlands	<sup>1</sup> 186,650	4.28	
San Lorenzo Park Benchlands	179,400	4.12	
Mission Plaza Park (Mission Hill)	40,860	0.94	
Pacific Avenue - Temporary Road Closures	<sup>2</sup> 58,000	1.33	
Santa Cruz Civic Auditorium	59,370	1.36	
Depot Park	169,000	3.88	
Main Beach	918,000	21.07	
Cowell's Beach	157,000	3.60	
Temporary Kaiser Permanente (Warriors) Arena	50,000	1.15	
<b>Total Large Community Gathering Spaces</b>	<b>1,895,430</b>	<b>43.51</b>	
	Approximate Land Area		Community Space Size
	Square Feet	Acres	
<b>B. Other Community Gathering Spaces</b>			
Santa Cruz Mission State Historic Park	77,710	1.78	Medium
Town Clock Park	8,450	0.19	Small
City Hall & Gardens	47,790	1.10	Small
San Lorenzo Riverside Gardens	22,820	0.52	Very Small
San Lorenzo Riverwalk	<sup>3</sup>		None
Scope Park	4,400	0.10	None
Rincon Park	2,400	0.06	None
<b>Total Other Community Gathering Spaces</b>	<b>163,570</b>	<b>3.76</b>	
<b>Total Existing Parks / Community Spaces</b>		<b>2,059,000</b>	<b>47.27</b>

<sup>1</sup> Does not include the "Benchlands".  
<sup>2</sup> Temporary road closures - Water to Cathcart Streets.  
<sup>3</sup> The San Lorenzo Riverwalk covers a 3.5 mile area.

**PARKS / COMMUNITY SPACES IN DOWNTOWN AND IN CLOSE PROXIMITY TO DOWNTOWN  
MEASURE O REPORT  
SANTA CRUZ, CALIFORNIA**

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**II. Future Community Gathering Spaces**

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	Approximate Land Area		Community Space Size
	Square Feet	Acres	
<b>A. Planned Spaces</b>			
Northwest Corner of Cathcart and Front Streets	39,220	0.90	Large
Northeast corner of Center and Church Streets	12,500	0.29	Medium
Riverwalk Expansions Behind Front Street Buildings	Varies	Varies	Medium
<b>Total Planned Spaces</b>	<sup>4</sup> 51,720	1.19	
<b>B. Planned Downtown Paseos</b>			
Cathcart Street - Cedar to Center	Varies	Varies	None
Cathcart Street - Front to Riverwalk	Varies	Varies	None
Maple Street - Pacific to Riverwalk	Varies	Varies	None
Front Street to Riverwalk - by METRO	Varies	Varies	None
<b>C. Proposed Spacdes in the Downtown Plan Expansion</b>			
Permanent Warriors Area	TBD	TBD	Large
Spruce Street / Laurel Street Extension	<sup>5</sup> 18,300	0.42	Medium
Riverwalk Expansions Behind Front Street Buildings	TBD	TBD	TBD

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<sup>4</sup> Excludes the Riverwalk Expansions Behind Front Street Buildings Area, which has not been identified.

<sup>5</sup> Temporary road closure - East of Pacific.

**ATTACHMENT 3  
MEASURE O SPONSORS  
SUMMARY OF DEVELOPMENT OPPORTUNITIES**

Yes on Measure O for Our Downtown, Our Future <[ourdowntownourfuture.org](http://ourdowntownourfuture.org)>

City-owned parking lots specified for 100% affordable housing development

Projection of number of units, by number of floors, calculated for parking lots equal to or larger in size than building footprint of Pacific Station South development

Lot	Address	APN	Square feet	Acres	Total lot size	Units/floor based on 1500 sq.ft./unit [diverse studio, 1, 2-bedroom units] and common spaces	5 floors [+ ground level >> 65' height]	6 floors [75' height]	7 floors [85' height]
26	409 Laurel next to Police	007-012-01	3528	0.08	7056				
26	241 Center St next to Police	007-012-02	3528	0.08					
16	212 Church next to Library	005-048-12	11587	0.27	15,812	10	50	60	70
14	Locust next to Library	005-048-11	4225	0.10					
8	710 Cedar/Lincoln	005-075-12	21,431.5	0.49	21,431.5	14	70	84	96
9	120 Elm	005-142-09	19,732.7	0.45	19,732.7	13	65	78	91
27	302 Front St	005-151-48	5,053.0	0.12	9453				
11	326 Front St	005-151-35	4,400.0	0.10					
7	Front/Cathcart	005-153-17	11,543.0	0.00	33,975.0	24	120	148	176
7	Front/Cathcart	005-153-05	4,312.0	0.00					
7	Front/Cathcart	005-153-29	3,354.0	0.00					
7	Front/Cathcart	005-153-28	8,668.0	0.00					
7	Front/Cathcart	005-153-03	6,098.0	0.00					
			107,460.2	2.47		<b>Total</b>	<b>305</b>	<b>370</b>	<b>433</b>