

NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS

Date of Notice: August 27, 2024

Responsible Entity (RE): County of Santa Cruz

Address: County of Santa Cruz, Community Development & Infrastructure (CDI) Dept., Planning Division, Attn: Porcila Wilson, Housing Specialist, 701 Ocean Street, Room 418, Santa Cruz, CA 95060

Telephone Number: (831) 454-2332

Email: EnvironmentalComments@santacruzcountyca.gov

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the County of Santa Cruz.

REQUEST FOR RELEASE OF FUNDS

On or about September 12, 2024, the County of Santa Cruz will authorize the Housing Authority of the County of Santa Cruz to submit a request to HUD for the release funds for 91 Project-based Vouchers under Section 8(o)(13) of the Housing Act of 1937, (42 USC 1437f), as amended, to undertake a project known as the 41st and Soquel Affordable Housing project to be developed on two parcels totaling approximately 2.70 acres located at 2755 and 2831 41st Ave., Soquel, CA 95073 (APN #s 030-121-61 and 030-121-34), (the "Project") for the purpose of partially funding the construction of an affordable housing development for lower-income households, in the Soquel area of unincorporated Santa Cruz County, CA. The project as proposed includes a total of 289 units: 286 affordable apartments and three manager's units. Construction consists of two five-story buildings on a podium over an at-grade garage with approximately 240 parking stalls, and elevator access to all levels. The site was mostly cleared by a prior owner in 2017-18 in preparation for a prior project which was abandoned, and is currently vacant. The project will be constructed using modular housing units. The majority of the parking will be in mechanical stackers. The units will range in size from studios to one-, two-, and three-bedroom units, and will be restricted to occupancy by low-income households, with target income levels between 30% to 80% of the Santa Cruz County Area Median Income (AMI). The proposed unit mix includes 118 studios, 116 one-bedrooms, 22 two-bedroom units, and 33 three-bedroom units.

The project will consist of construction of the above-described residential buildings, parking garage, and all necessary infrastructure including, but not limited to, sidewalks, curbs, gutters, lighting, water, sewer and electrical connections (including undergrounding if applicable), water drainage infrastructure, parking, driveways, and landscaping.

Currently projected sources of estimated funding for the project include: Low Income Housing Tax Credits (LIHTC) of \$91,704,339, Series A Tax Exempt Bonds of \$58,000,000, Series B Tax Exempt Bonds of \$20,000,000, funding from Safehold TI Capital of \$31,492,000, Investment Tax Credit Equity of \$427,500 and a Deferred Developer Fee of \$13,800,000 for an estimated total development cost (TDC) of \$215,423,839. Funding sources and amounts may change.

FINDING OF NO SIGNIFICANT IMPACT

The County of Santa Cruz has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR), available to the public for review online at the link below:

<https://cdi.santacruzcountyca.gov/UPC/GetInvolved/CEQAInitialStudiesEIRs/CEQADocumentsOpenforPublicReview.aspx>

A paper copy of the ERR is available for review upon request at the CDI Planning Division during regular counter hours (Monday to Thursday 8:00 am to Noon, and Monday - Tuesday 1:00 pm to 4:00 pm), or call (831) 454-2332 for assistance outside of those hours.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the County of Santa Cruz, CDI Planning Division, Attn: Porcila Wilson, 701 Ocean Street, Room 418, Santa Cruz, CA 95060, or by email to: EnvironmentalComments@santacruzcountyca.gov. All comments received by September 11, 2024, will be considered by the County of Santa Cruz prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing (the 41st and Soquel Affordable Housing Project FONSI).

ENVIRONMENTAL CERTIFICATION

The County of Santa Cruz certifies to HUD that Stephanie Hansen, Assistant Director for Policy, Housing and Code Enforcement for the County of Santa Cruz Community Development and Infrastructure Department, in her capacity as certifying officer, consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the County of Santa Cruz to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD will accept objections to its release of funds and the County of Santa Cruz's certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the County of Santa Cruz; (b) the County of Santa Cruz has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be emailed to HUD Region IX, at todd.r.greene@hud.gov. Potential objectors should contact HUD via email at todd.r.greene@hud.gov to verify the actual last day of the objection period.

Stephanie Hansen, Certifying Officer
County of Santa Cruz