



**U.S. Department of Housing and Urban
Development**

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Washington, DC 20410
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Environmental Assessment Determinations and Compliance Findings for HUD-assisted Projects 24 CFR Part 58

Project Information

Project Name: 38th Avenue Apartments Project

Responsible Entity: City of Capitola

Grant Recipient (if different than Responsible Entity): MidPen Housing

State/Local Identifier: California

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Project Location: 1098 38th Avenue, Capitola, CA 95062 (Assessor’s Parcel Number [APN] 034-172-01); see **Figure 1**

Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:

The proposed project entails construction and operation of a 100% affordable multifamily rental housing development. **Figure 2** shows the proposed site plan. The project would include a total of 52 residential units. The unit mix would consist of 4 studio units, 21 one-bedroom units, 14 two-bedroom units (including one manager’s unit), and 13 three-bedroom units. Affordable housing would serve residents earning 30% to 60% of the Area Median Income (AMI) in 51 100% below-market-rate (BMR) units, with 1 unrestricted manager’s unit. Twenty-five percent of the units would be set aside for special needs individuals.

The residential units would be provided in four buildings. The proposed buildings would cover approximately 26% of the site (22,473 square feet) and would have a floor-area ratio of 0.68. Buildings would be two stories along 38th Avenue and would step up to 3-story massing deeper into the site and along the future rail trail. Table 1 summarizes the proposed buildings.

Table 1. Proposed Residential Buildings

Building	Stories	Building Area (square feet per floor)	Total Building Area (square feet)
Building A	2	3,928	7,856
Building B	3	6,034	18,102
Building C	3	7,698	23,094
Building D	3	4,055	12,163
Total Building Area	—	—	61,215

The buildings would be all-electric. Residential dwelling units would be located on the first through third floors. The buildings would also include laundry rooms, community rooms with kitchens, offices and property management/resident services, and equipment and utility spaces. Other on-site amenities would include outdoor dining and gathering areas, including two protected courtyards, pedestrian pathways, a central plaza, lawn, community dining area, café tables and chairs, raised vegetable beds, a fenced dog run area, barbeque grills, pergolas, seating, and a smoking shelter; and outdoor play areas for children and youth, including game areas and a tot lot/nature play area.

Site ingress and egress would be provided at two locations along 38th Avenue. A pedestrian and bike entrance would be provided in the northwestern portion of the project site, and a vehicular and bike entrance would be provided through a drive aisle along the southern property line leading to a surface parking lot at the rear of the site. The project would include a total of 70 on-site vehicle parking spaces (66 spaces for the residential units and 4 designated guest and staff parking spaces), including 28 total proposed electric vehicle (EV) spaces (7 EV-capable spaces, 17 EV-ready spaces, and 4 EV charging station spaces). Bicycle parking would include 52 long-term spaces provided in an enclosed bike shed and 4 short-term spaces.

The project would utilize the State Density Bonus pursuant to California Government Code Sections 65915-65918. The State Density Bonus Law allows 100% affordable housing projects to utilize the 80% Density Bonus increase and up to four concessions/incentives from the City's development standards. The project includes four requested concessions for (1) private open space requirements, and (2) maximum building height requirements, (3) tree replacement ratio requirements, and (4) parking lot landscape requirements. The project would not provide private open space. In lieu of private open space, the project would provide approximately 22,830 square feet of common open space area (26% of the site). This would include a front yard courtyard and a backyard courtyard, described further below. The project also is requesting a concession to allow for increased maximum building height. The maximum height allowed is 30 feet, while the proposed maximum height is 40 feet, 6 inches. The project also is requesting concessions to provide a replacement of trees at less than the required 2:1 ratio due to potential for crowding and overplanting, and to reduce the required parking lot landscape percentage to less than 20%.

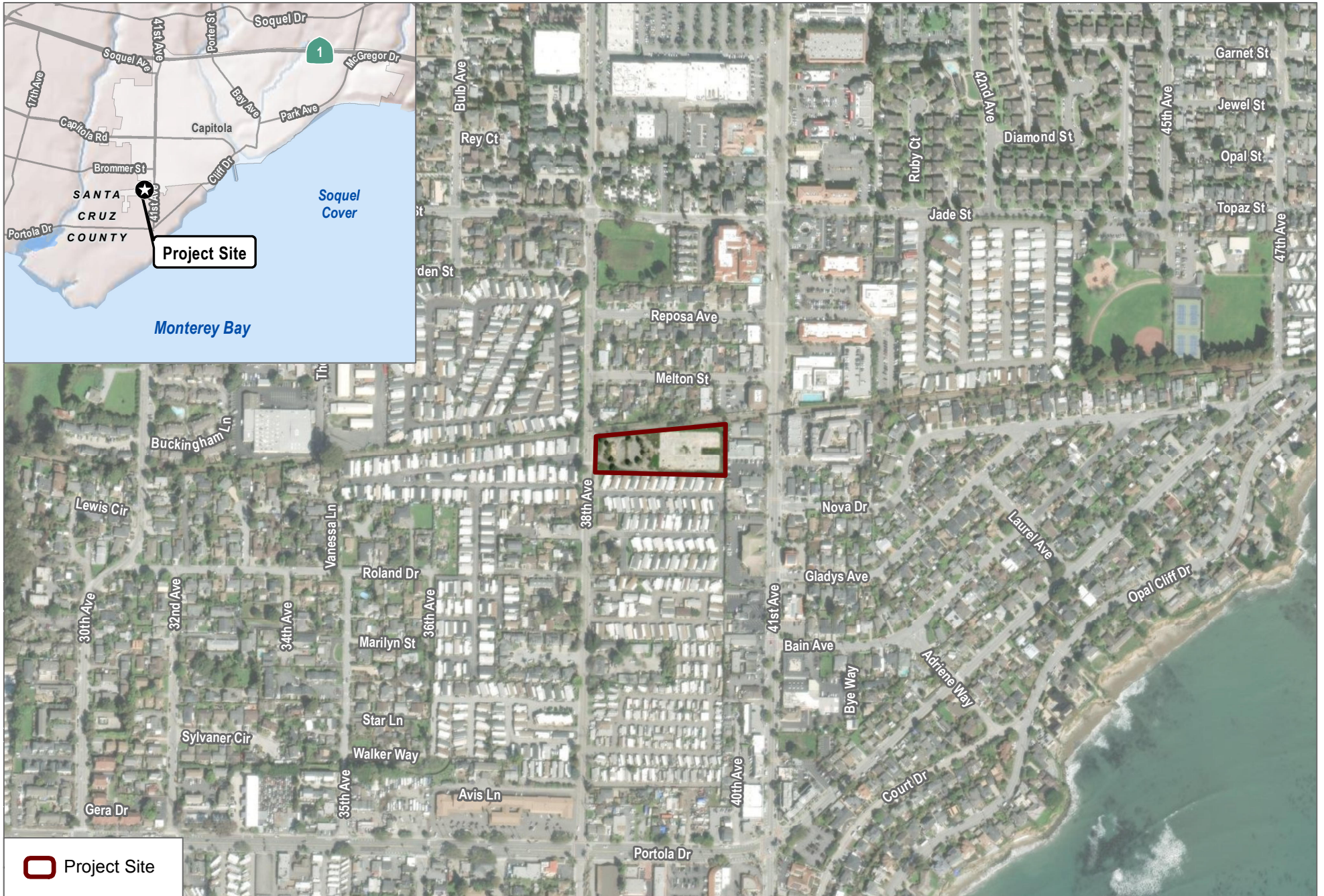
A buried stormwater retention and detention system would be used to collect stormwater runoff from the residential development. Below-grade stormwater chambers would be installed beneath the parking lot at the rear of the site. An off-site drainage management area would also be located along the 38th Avenue site frontage with an area of 1,465 square feet.

A total of 43 existing trees on the site would be removed and new landscaping would be planted throughout the site, including a mix of trees, shrubs, and ground covers. A total of 70 replacement trees would be planted, including 11 sweetshade (*Hymenosporum flavum*), 14 Moonglow® sweetbay magnolia (*Magnolia virginiana* 'Jim Wilson'), 17 Icee Blue® yellow wood (*Podocarpus elongatus* 'Monmal'), 3 wingleaf soapberry (*Sapindus saponaria*), 16 Drake lacebark elm (*Ulmus parvifolia* 'Drake'), and 9 chitalpa (*X Chitalpa tashkentensis*). An irrigation system including rootzone tree bubblers and shrub driplines would be installed. Project construction is anticipated to occur over a period of 18 months from December 2025 to June 2027, with occupation of the apartments in September 2027.

Statement of Purpose and Need for the Proposal [40 CFR 1508.9(b)]:

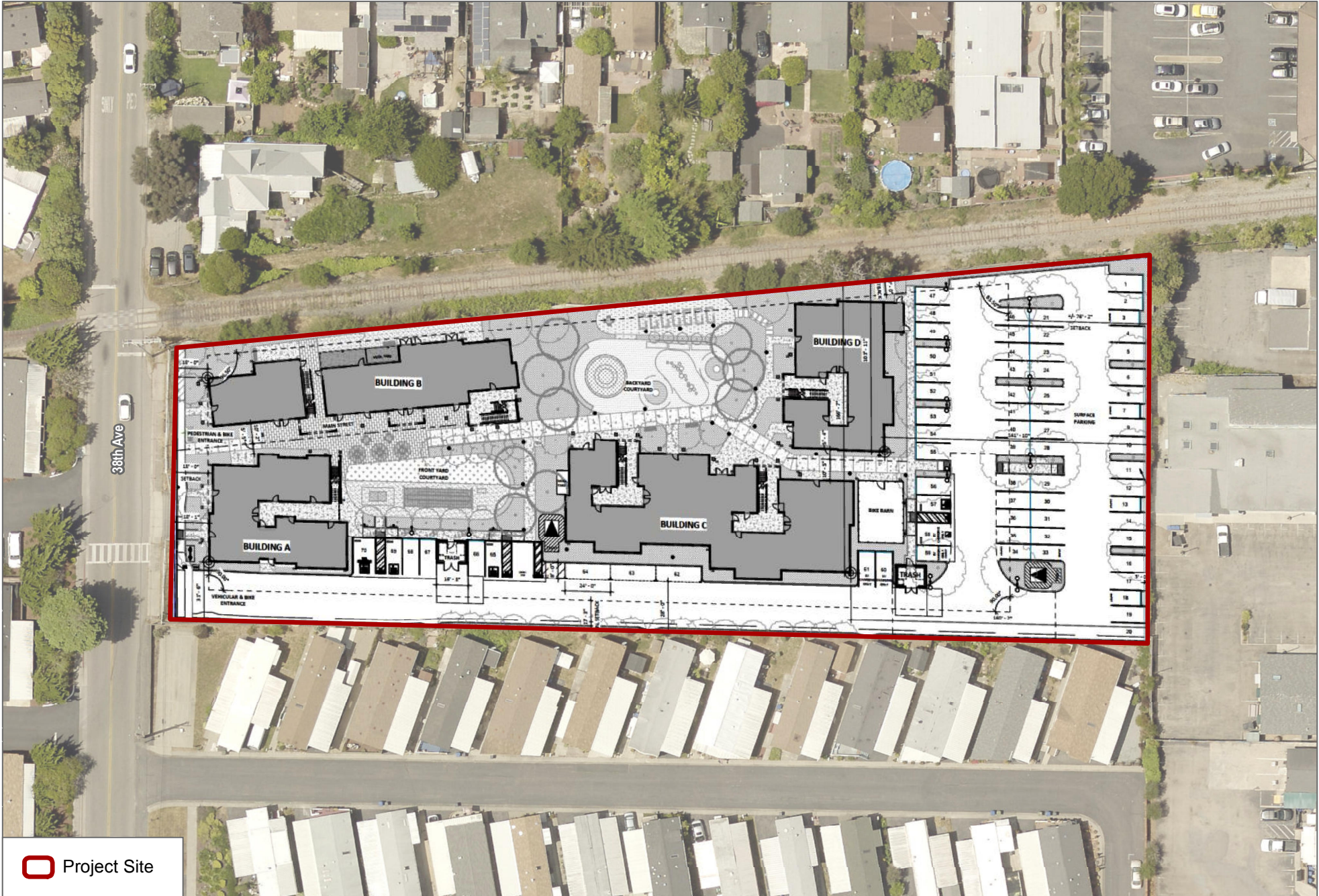
The purpose of the project is to develop 51 units of affordable housing for residents earning 30% to 60% AMI in an area with high housing costs and limited affordable housing.

High housing costs, limited affordable housing supply, and scarcity of land pose challenges in the project area. A comprehensive housing market analysis for Santa Cruz-Watsonville, California, prepared by the U.S. Department of Housing and Urban Development (HUD) Office of Policy Development and Research, dated July 1, 2019, found the rental market to be "extremely tight" with a vacancy rate of only 1.9% and a demand for 570 new rental units over the following 3 years and only 130 under development (HUD 2019). According to the Association of Monterey Bay Area Governments (AMBAG) Regional Housing Needs Allocation (RHNA) Plan for 2023-2031, Capitola is built out, with less than 10 vacant lots in the City. The RHNA indicates that Capitola needs to add 1,336 new housing units over the planning cycle, including 430 units for the very-low income (<50% of area median income) and 282 units for the low income (50-80% of area median income) demographic groups to meet housing needs from 2023 to 2031 (AMBAG 2022).



SOURCE: ESRI Imagery 2024; Open Street Map 2019

FIGURE 1
Project Location
 38th Avenue Apartments Project



 Project Site

SOURCE: ESRI Imagery 2024; Architects FORA, 2023



FIGURE 2
Site Plan

38th Avenue Apartments Project

Existing Conditions and Trends [24 CFR 58.40(a)]:

The project site is comprised of one approximately 1.98-acre (86,118-square-foot) parcel at 1098 38th Avenue (APN 034-172-01) in the City of Capitola, Santa Cruz County, California (see **Figure 1**). The project site is in the Multi-Family Residential, Medium Density (RM-M) zoning district and Multi-Family Residential (R-M) General Plan land use designation. The project site is located in a mixed-use residential and commercial neighborhood and is bordered by lands within the City limits to the west and northeast and lands within the County's unincorporated area to the north, southeast, and south. Adjacent land uses include a mobile home park to the west, single-family residential to the north, community commercial to the east, and multi-family residential to the south. The Santa Cruz County Regional Transportation Commission (SCCRTC) Santa Cruz Branch Rail Line right-of-way, planned for development of the future rail trail Section 10, is located immediately adjacent to the site to the north, and the site is one block from the 41st Avenue commercial corridor.

No structures currently occupy the project site. The site formerly contained an assisted living facility building with paved surface parking and landscaping. The aboveground portion of the building was demolished in 2022 and the site contains the concrete slab foundations of the former building, paved asphalt parking areas, and parking islands including existing trees that are no longer receiving supplemental irrigation. The project site contains 43 existing trees, consisting of 9 flaxleaf paperbark (*Melaleuca linariifolia*), 26 queen palm (*Syagrus romanzoffiana*), 4 Monterey cypress (*Hesperocyparis macrocarpa*), 1 Monterey pine (*Pinus radiata*), 1 fan palm (*Washingtonia* spp.), 1 coast live oak (*Quercus agrifolia*), and 1 podocarpus (*Podocarpus macrophyllus*).

Funding Information

Grant Number	HUD Program	Funding Amount
Not yet assigned	HUD Section 8 Housing Choice Voucher Program – 25 committed Project-Based Vouchers	\$12,805,560

Estimated Total HUD Funded Amount: \$12,805,560

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]: \$47,772,823

Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
<p>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 and 58.6</p>		
<p>Airport Hazards 24 CFR Part 51 Subpart D</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>HUD’s policy is to apply standards to prevent incompatible development around civil airports or military airfields, consistent with Title 24 of the Code of Federal Regulations (CFR), Part 51, Subpart D. According to the U.S. Environmental Protection Agency’s (EPA’s) NEPAAssist tool (EPA 2024b), the project site is not located within 2,500 feet of a civilian airport or 15,000 feet of a military airport. The nearest civilian airport, Watsonville Municipal Airport, is located approximately 9.6 miles east of the project site. The nearest military airport is Moffett Federal Airfield, a joint civil-military airport, approximately 30.4 miles north of the project site. Therefore, the project is in compliance with airport hazards requirements (see Attachment 1; see Environmental Review Record [ERR] 1).</p>
<p>Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The Coastal Barrier Resources Act (CBRA) of 1982 designated relatively undeveloped coastal barriers along the Atlantic and Gulf coasts as part of the John H. Chafee Coastal Barrier Resources System (CBRS) and made these areas ineligible for most new federal expenditures and financial assistance. The Coastal Barrier Improvement Act (CBIA) of 1990 reauthorized the CBRA; expanded the CBRS to include undeveloped coastal barriers along the Florida Keys, Great Lakes, Puerto Rico, and U.S. Virgin Islands.</p> <p>The project is located in California. There are no units of the CBRS in California and the project site is not located within a CBRS Unit (USFWS 2024a). Therefore, the project is in compliance with the CBRA and CBIA (see Attachment 2).</p>
<p>Flood Insurance</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The Flood Disaster Protection Act of 1973 (42 USC 4012a) requires that projects receiving federal assistance and located in an area</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
<p>Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]</p>		<p>identified by the Federal Emergency Management Agency (FEMA) as being within a Special Flood Hazard Area (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). SFHAs are hazard areas that are subject to inundation by the base flood (1%-annual-chance flood) and are labeled on flood maps as zones starting with the letters A or V.</p> <p>According to the FEMA Flood Insurance Rate Map (FIRM) 06087C0354F, effective September 29, 2017 (FEMA 2017), the project site is located within Zone X (unshaded), an area of minimal flood hazard. Therefore, the project site is not located within a FEMA-designated SFHA.</p> <p>According to the NFIP Community Status Book (FEMA 2024a), the project site city (Capitola) and county (Santa Cruz) participate in the NFIP (CID Nos. 060354F and 060353F, respectively). Therefore, the project is in compliance with flood insurance requirements (see Attachment 3; see ERR 2).</p>
<p>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.5</p>		
<p>Clean Air</p> <p>Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The Clean Air Act was implemented to remedy the damaging effects that bad air quality can have on human health and the environment and is administered by the U.S. Environmental Protection Agency (EPA), which sets National Ambient Air Quality Standards (NAAQS). NAAQS are limits on certain “criteria” air pollutants, including limits on how much of the pollutants can be in the air anywhere in the United States. Geographic areas that meet the NAAQS for a given pollutant are called “attainment areas,” while areas that do not meet the NAAQS for a given pollutant are called “nonattainment” areas. Areas that were previously designated as nonattainment areas but have now met the standard (with EPA approval of a suitable air quality plan) are called</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>“maintenance” areas. If there is not enough data available to determine whether the standard is exceeded in an area, the area is designated as “unclassified.” The designation of “unclassified/attainment” means that the area meets the standard or is expected to meet the standard despite a lack of monitoring data.</p> <p>The project site is in the North Central Coast Air Basin (NCCAB) under the jurisdiction of the Monterey Bay Air Resources District (MBARD). The NCCAB is designated as in attainment for all NAAQS including ozone (O₃), coarse particulate matter (PM₁₀), fine particulate matter (PM_{2.5}), carbon monoxide (CO), lead (Pb), nitrogen dioxide (NO₂), and sulfur dioxide (SO₂). Since the NCCAB has met all NAAQS, it is no longer subject to federal conformity requirements. Therefore, the project is in compliance with the Clean Air Act (see ERR 3).</p>
<p>Coastal Zone Management</p> <p>Coastal Zone Management Act, sections 307(c) & (d)</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The Coastal Zone Management Act (CZMA) of 1972 (16 USC 1451 et seq.) is administered at the federal level by the Coastal Programs Division within the National Oceanic and Atmospheric Administration’s Office of Ocean and Coastal Resource Management (NOAA-OCRM). Projects that can affect the coastal zone must be carried out in a manner consistent with the state coastal zone management program under Section 307(c) and (d) of the CZMA. Under California’s federally approved Coastal Management Program, the California Coastal Commission (CCC) manages development along the California coast (except for San Francisco Bay). The California Coastal Act is the foundation of the California Coastal Management Program, and defines the State’s coastal management goals and policies, establishes the boundaries of the State’s coastal zone, and creates governmental mechanisms for carrying out the management program. The California Coastal Act requires that individual jurisdictions adopt a Local Coastal Program</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>(LCP) to implement the California Coastal Act at the local level. Generally, any “development” activity in the Coastal Zone requires a Coastal Development Permit from the CCC or local government with a certified LCP. The City of Capitola’s LCP was certified by the CCC in 2021.</p> <p>The project site is located within the California Coastal Zone boundary (CCC 2019). Therefore, a Coastal Development Permit is required for the project. For Coastal Development Permit approval, the City’s approving authority is required to make findings, as outlined in the Capitola Municipal Code Section 17.44.130, related to consistency with the LCP land use plan and LCP implementation plan; public views; vegetation, natural habitats, and natural resources; recreational access; visitor opportunities; coastal resources; consistency with applicable design plans and area plans incorporated into the LCP; and consistency with the LCP goal of encouraging appropriate coastal development and land uses.</p> <p>The Capitola Planning Commission approved the Coastal Development Permit on April 4, 2024, and the approval was not appealed to the CCC. The Planning Commission made findings pursuant to Municipal Code Section 17.44.130, and the project is subject to approved Conditions of Approval. Therefore, the project is in compliance with the Coastal Zone Management Act (see Attachments 4 and 5; see ERR 4).</p>
<p>Contamination and Toxic Substances</p> <p>24 CFR Part 50.3(i) & 58.5(i)(2)</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>HUD policy, as described in Section 50.3(i) and Section 58.5(i)(2), states the following:</p> <p>(1)... all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>(2) HUD environmental review of multifamily and non-residential properties shall include evaluation of previous uses of the site and other evidence of contamination on or near the site, to assure that occupants of proposed sites are not adversely affected by the hazards.</p> <p>(3) Particular attention should be given to any proposed site on or in the general proximity of such areas as dumps, landfills, industrial sites, or other locations that contain, or may have contained, hazardous wastes.</p> <p>(4) The responsible entity shall use current techniques by qualified professionals to undertake investigations determined necessary...</p> <p>Sites known or suspected to be contaminated by toxic chemicals or radioactive materials include, but are not limited to, sites: (i) listed on an Environmental Protection Agency (EPA) Superfund National Priorities or the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) List, or equivalent State list; (ii) located within 3,000 feet of a toxic or solid waste landfill site; or (iii) with an underground storage tank (UST) (which is not a residential fuel tank).</p> <p>A Phase I Environmental Site Assessment (ESA) followed by two subsurface investigation programs were completed for the project. In accordance with ASTM standards, a recognized environmental condition (REC) is defined as the presence or likely presence of hazardous substances or petroleum products due to a release or likely release or posing a threat of a future release to the environment. A controlled recognized environmental condition (CREC) is defined as a REC that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to implementation of required controls. A historical recognized environmental condition (HREC) is defined as a previous release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>regulatory authority meeting unrestricted use criteria without subjecting the project site to any controls.</p> <p>The Phase I ESA did not identify evidence of RECs, CRECs, or HRECs on the project site. The Phase I ESA identified an other environmental consideration (OEC) for the project site. The project site was historically used for agricultural purposes, and the Phase I ESA recommended consideration of on-site sampling to evaluate whether the site has been impacted in connection with the historical agricultural use through potential that agricultural chemicals such as pesticides, herbicides, and fertilizers.</p> <p>A Limited Phase II Subsurface Investigation was performed to evaluate whether the site has been impacted by the OEC identified in the Phase I ESA. Impacts to soil gas, specifically benzene, were identified at elevated concentrations above the residential environmental screening levels (ESLs). While the concentrations are above the ESLs, these findings do not indicate a reportable spill or release on the property. A Focused Additional Subsurface Investigation was conducted to further characterize the nature and extent of the chemicals of potential concern identified in the Phase II investigation. Benzene, ethylbenzene, trichloroethylene, and chloroform were detected in one or more of the soil gas samples collected and analyzed at concentrations exceeding their respective residential vapor intrusion ESLs. The report recommended that redevelopment of the site should evaluate potential need for mitigation of the identified vapor intrusion risk. These recommendations are being reviewed with the County of Santa Cruz Health Services Agency. However, specific recommendations will be implemented regarding potential use of vapor intrusion measures, such as engineering controls (venting and/or barrier membrane) that would be installed during construction along with a monitoring program to ensure acceptable conditions in accordance with</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>State guidelines. A soil management plan would be implemented during project construction.</p> <p>HUD guidance issued on January 11, 2024, indicates that radon must be considered in the contamination analysis for 24 CFR Parts 50 or 58 and includes recommendations for best practices and alternative options for the analysis. Radon is a naturally-occurring, odorless, and invisible gas. Natural radon levels vary and are closely related to geologic formations. Radon may enter buildings through basement sumps or other openings.</p> <p>When considering radon in the contamination analysis, HUD strongly recommends using the American National Standards Institute/American Association of Radon Scientists and Technologists (ANSI/AARST) radon testing standards; however, testing is not required. Scientific data review is identified as an alternative option for radon analysis. According to the HUD guidance, available science-based information may be used to determine whether the project site is located in an area that has average documented radon levels at or above 4.0 picocuries per liter (pCi/L). When conducting a scientific data review in lieu of testing, there must be a minimum of 10 (ten) documented test results over the previous 10 years for which data is available in a given county for the scientific data review approach to be utilized. If there are less than 10 documented results over this period, then there is a lack of scientific data and no further consideration of radon is needed if testing is infeasible or impracticable. Additionally, testing data utilized should cover the smallest geographic area for which the minimum amount of documented test results exist, up in size to the county in which the project is located. The best available data must be used. Best available data refers to the most current data that best indicates the level of radon concentration at a project site. Whenever</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>possible, the average of the previous 10 years of data should be used.</p> <p>In accordance with HUD requirements for scientific data review, the Department of Health and Human Services, Centers for Disease Control and Prevention (CDC), National Environmental Public Health Tracking Network Data Explorer (CDC 2024) was reviewed for radon testing data for the county in which the project is located, which is the smallest area for which data are available, over the most recent 10-year period. More than 10 tests have been conducted over the most recent 10-year period. For Santa Cruz County, over the most recent 10-year dataset available (2008-2017), the mean pre-mitigation radon level in tested buildings was 2.5 pCi/L, which is below the current EPA action level of 4.0 pCi/L. Per HUD protocols, the average radon level ascertained from this review is assumed to be the level within any particular buildings that are part of this project. Therefore, radon levels for the project are assumed to be below the EPA action level and no mitigation is required. There is no other available evidence of radon levels in the area. Further consideration of radon is not required.</p> <p>Therefore, the project is in compliance with HUD’s requirements related to contamination and toxic substances (see Attachments 6, 7, 8, and 9; see ERR 5).</p>
<p>Endangered Species</p> <p>Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The Endangered Species Act of 1973, as amended, and its implementing regulations are designed to protect and recover species in danger of extinction and the ecosystems that they depend upon. In passing the Endangered Species Act, Congress recognized a key fact that subsequent scientific understanding has only confirmed: the best way to protect species is to conserve their habitat.</p> <p>According to HUD guidance, the environmental review of a proposed project must consider</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>potential impacts to endangered and threatened species and critical habitats. A No Effect determination can be made if none of the activities involved in the project have potential to affect species or habitats.</p> <p>Due to the urban and commercial setting surrounding the project site, no federally listed special-status plant or wildlife species are expected to be present on site, which was formerly developed and contains no native habitat. The USFWS offers consultation on threatened and endangered wildlife and plant species, as well as critical habitats, on a project-by-project basis. According to the USFWS Environmental Conservation Online System (ECOS) Information for Planning and Consultation (IPaC) (USFWS 2024b), 16 threatened or endangered and 1 candidate species have the potential to occur in the project area. However, as stated in the IpaC report and confirmed through NEPAssist mapping of the project site, although the general habitat ranges of these species overlap with the project location, their critical habitat areas do not intersect with the project site. As such, the project would not result in potential substantial adverse effects to plant and wildlife species or their habitats protected under the Endangered Species Act. Therefore, the project is in compliance with the Endangered Species Act (see Attachments 10 and 11; see ERR 6).</p>
<p>Explosive and Flammable Hazards</p> <p>24 CFR Part 51 Subpart C</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Regulations set forth in 24 CFR Part 51 Subpart C require HUD-assisted projects to be separated from hazardous facilities that store, handle, or process hazardous substances by a distance based on the contents and volume of the facilities' aboveground storage tank (AST), or to implement mitigation measures. The requisite distances are necessary, because project sites that are too close to facilities handling, storing, or processing conventional fuels, hazardous gases, or chemicals of an explosive or flammable</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>nature may expose occupants or end-users of a project to the risk of injury in the event of a fire or an explosion.</p> <p>A search of the California Environmental Protection Agency’s (CalEPA) regulated site portal for aboveground petroleum storage and chemical storage sites was conducted on February 12, 2024, to identify aboveground flammable materials storage within a 1-mile radius of the project site (CalEPA 2024). A review of the database search results identified a total of 44 facilities within 1 mile of the project site that reported storing flammable chemicals on site. It was conservatively assumed that the flammable materials were all stored above ground. HUD’s Acceptable Separation Distance (ASD) Assessment Tool was used to calculate the minimum separation distance between the project site and the CalEPA sites. All 44 sites exceeded HUD’s required minimum ASD for the quantities of chemicals present. As a result, the proposed project would not expose future residents to the risk of injury in the event of a fire or an explosion. Therefore, the project is in compliance with explosive and flammable hazards requirements (see Attachment 12; see ERR 7).</p>
<p>Farmlands Protection</p> <p>Farmland Protection Policy Act of 1981, particularly sections 1504(b) and 1541; 7 CFR Part 658</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The importance of farmlands to the national and local economy requires the consideration of the impact of activities on land adjacent to prime or unique farmlands. The purpose of the Farmland Protection Policy Act (7 USC Section 4201 et seq, implementing regulations 7 CFR Part 658, of the Agriculture and Food Act of 1981, as amended) is to minimize the effect of federal programs on the unnecessary and irreversible conversion of farmland to nonagricultural uses.</p> <p>According to the California Department of Conservation (DOC) California Important Farmland Finder (DOC 2022), the project site and surrounding area is designated as “Urban and Built-up Land.” The DOC defines Urban and</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>Built-up Land as land that is “used for residential, industrial, commercial, construction, institutional, public administration, railroad and other transportation yards, cemeteries, airports, golf courses, sanitary landfills, sewage treatment, water control structures, and other developed purposes.” As such, the project site does not contain farmland, and the conversion of farmland to a non-agricultural use would not occur. Therefore, the project is in compliance with the Farmland Protection Policy Act (see Attachment 13; see ERR 8).</p>
<p>Floodplain Management Executive Order 11988, particularly section 2(a); 24 CFR Part 55</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The provisions of Executive Order (EO) 11988, Floodplain Management, require federal activities to avoid impacts to floodplains and to avoid direct and indirect support of floodplain development to the extent practicable. HUD’s regulations in 24 CFR Part 55 outline HUD’s procedures for complying with EO 11988.</p> <p>As indicated above, the project site is not located within a floodplain. According to the FEMA FIRM 06087 C0354F, effective September 29, 2017, the project site is located within Zone X (unshaded), an area of minimal flood hazard. Therefore, the project is in compliance with 24 CFR Part 55 and EO 11988 (see Attachment 4; see ERR 9).</p>
<p>Historic Preservation National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The National Historic Preservation Act (NHPA) (16 USC 470 et seq.) directs each federal agency, and those tribal, State, and local governments that assume federal agency responsibilities, to protect historic properties and to avoid, minimize, or mitigate possible harm that may result from agency actions. The review process, known as Section 106 review, is detailed in 36 CFR Part 800. Early consideration of historic places in project planning and full consultation with interested parties are key to effective compliance with Section 106. The State Historic Preservation Officer (SHPO) and/or Tribal</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>Historic Preservation Officer (THPO) are primary consulting parties in the process.</p> <p>According to the National Park Service’s National Register of Historic Places (NRHP) maps (NPS 2020), no properties that are listed on the NRHP are located near the project site, with the closest NRHP-listed property, the Venetian Court Apartments Historic District, located approximately 0.7 miles northeast of the project site within Capitola Village. Within a 1-mile radius of the project site are four NRHP-listed historic districts (the Venetian Court Apartments Historic District, Six Sisters-Lawn Way Historic District, Old Riverview Historic District, and Rispin Mansion Historic District) and one NRHP-listed building (the Hihn Building). Due to distance from the project site, none of these properties would be affected by the project.</p> <p>According to the City’s Archaeological Sensitive Areas Map, dated January 24, 2017, the project site is not located in area identified as having high sensitivity for prehistoric resources.</p> <p>Dudek conducted a records search of the California Historic Resources Information System (CHRIS) Northwest Information Center (NWIC) in February 2024. The records search indicates that one built environment cultural resource, the Southern Pacific Railroad (44-000377), is adjacent to the project area of potential effects (APE), but does not intersect the APE. The 21-mile-long, narrow-gauge line was originally constructed by the Santa Cruz Railroad Company in 1876 and traveled between Santa Cruz and Pajaro (Watsonville). The Southern Pacific Railroad purchased the line and converted it to standard gauge by 1883. Rail service resumed between Santa Cruz and Watsonville as the Southern Pacific Railroad Santa Cruz Branch Line. The line was one of many such branches of the Southern Pacific Railroad’s Coast Line that connected local, regional, and statewide rail networks between</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>San Francisco and Los Angeles. The Santa Cruz Branch Line was maintained and used for freight service until 2008. The portion of the railroad adjacent to the project APE has not been evaluated for NRHP eligibility; however, the project would have no effect on the resource.</p> <p>A review of historic aerial imagery and historic topographic maps indicates the APE has been subject to past disturbances associated with the development and demolition of two structures over the past century. A structure is depicted within the western portion of the project APE along 38th Avenue on the 1912, 1954, and 1968 U.S. Geological Survey topographic maps and 1952 and 1956 historic aerials. The footprint of the former Capitola Manor is seen on the 1968 aerial images and up to 2020. The Capitola Manor building was demolished in 2022.</p> <p>The review of cultural resources concluded that no potential or known historic properties are located within the project APE, and that the proposed project would not cause any significant impact to historic properties. Therefore, the City made a finding of “No Historic Properties Affected” per CFR 36 Part 800.4 (d)(1) and sent a letter to the SHPO on April 15, 2024, requesting concurrence on the finding. SHPO confirmed receipt of the letter. Pursuant to 36 CFR 800.3(c)(4), SHPO did not respond within 30 days of receiving the City’s request for a finding or determination. As a result, the City’s consultation requirements with the SHPO are complete.</p> <p>Any resources discovered during construction would be evaluated pursuant to City regulations and conditions imposed on the project as part of the coastal development permit.</p> <p>Therefore, the project is in compliance with the NHPA (see Attachments 14, 15, 16, and 17; see ERR 10).</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
<p>Noise Abatement and Control</p> <p>Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>According to HUD’s noise standards set forth in 24 CFR Part 51, Subpart B, all sites whose environmental or community noise exposure exceeds the day night average sound level (DNL) of 65 decibels (dB) are considered noise-impacted areas. HUD guidance includes screening criteria to assist in evaluating a project’s consistency with the foregoing standard. Pursuant to HUD guidance, potentially significant noise generators within the vicinity of a project include major roadways, if within 1,000 feet of a project site, railroads, if within 3,000 feet, and airports, if within 15 miles. Documentation that a project is not within the applicable distances to the foregoing noise generators demonstrates compliance with HUD’s noise standard. If within the aforementioned distance, a project may show the noise level is at or below 65 dB to demonstrate consistency with the Noise Control Act of 1972.</p> <p>The project site is located approximately 850 feet south of Brommer Street, 330 feet east of 41st Avenue, and 45 feet west of 38th Avenue. The nearest major roadway is Highway 1, located approximately 1 mile to the north of the project site. A former Southern Pacific Railroad rail line is located north of the project site, but the rail line is inactive and no active rail lines are located in the project vicinity. The nearest airport is Watsonville Municipal Airport, located approximately 9.6 miles to the east. As such, the project is not located within 1,000 feet of a major roadway or 3,000 feet of a railroad, and therefore, these are not factors in on-site noise. The project is located within 15 miles of the Watsonville Municipal Airport. According to the Addendum to the Environmental Impact Report for the Watsonville Municipal Airport Master Plan (City of Watsonville 2023), the project site is not within the 2020 or 2040 noise contours for airport- and aircraft-related noise levels. The project would not result in an increase in</p>

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		<p>community noise exposure relative to existing conditions. Thus, the primary noise source in the project vicinity is roadway traffic noise on local roadways.</p> <p>Based on the project site plan, as well as published ADT traffic volumes from the Santa Cruz County Regional Transportation Commission for 41st Avenue, 38th Avenue, and Brommer Street (projected out to the year 2035 at an assumed annual increase rate of 1% per year), and speed limit information and building setback measurements from online aerial imagery, HUD's Day/Night Noise Level Calculator Electronic Assessment Tool (https://www.hudexchange.info/programs/environmental-review/dnl-calculator/) were used to calculate on-site noise levels. The HUD noise model output is provided in Attachment 14. The resulting predicted 24-hour noise level is 65 dBA DNL/L_{dn} at the project site's western façade, and 57 dBA DNL/L_{dn} at the project site's eastern façade. Thus, the noise level at the project site would be equivalent to or less than the HUD exterior noise standard of 65 dBA DNL and falls into the "normally acceptable" category. The two courtyards/outdoor areas are both proposed to be internal to the project site and thus would be shielded from nearby traffic noise.</p> <p>Therefore, the project is in compliance with the Noise Control Act of 1972 (see Attachment 18; see ERR 11).</p>
Sole Source Aquifers Safe Drinking Water Act of 1974, as amended, particularly section 1424(e); 40 CFR Part 149	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Aquifers and surface water are drinking water systems that may be impacted by development. The Safe Drinking Water Act of 1974 requires protection of drinking water systems that are the sole or principal drinking water source for an area and which, if contaminated, would create a significant hazard to public health. The EPA's NEPAAssist tool (EPA 2024b) was used to identify sole source aquifer locations in the vicinity of the project site. The project site is not located within an area designated by the EPA as

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		<p>being supported by a sole source aquifer. The project site is located approximately 3.5 miles to the south of the nearest sole source aquifer, which is the Santa Margarita Aquifer in the Santa Cruz Mountains. As such, the project site is not located in a region that depends solely on an aquifer for access to water or located within a sole source aquifer recharge area. Thus, no impact on sole source aquifers would occur. Therefore, the project is in compliance with the Safe Drinking Water Act of 1974, as amended (see Attachment 19; see ERR 12).</p>
Wetlands Protection Executive Order 11990, particularly sections 2 and 5	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	<p>According to the EPA, wetlands are characterized by hydrology, soils, and vegetation. The EPA’s NEPAAssist tool (EPA 2024b) was used to identify wetlands on or near the project site according to information from the USFWS National Wetland Inventory (NWI). No wetlands are located on or near the project site. As such, no impact to wetlands would occur. Therefore, the project is in compliance with Executive Order 11990 (see Attachment 20; see ERR 13).</p>
Wild and Scenic Rivers Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	<p>The Wild and Scenic Rivers Act (16 USC 1271-1287) provides federal protection for certain free-flowing, wild, scenic, and recreational rivers designated as components or potential components of the National Wild and Scenic Rivers System (NWSRS). The NWSRS was created by Congress in 1968 to preserve certain rivers with outstanding natural, cultural, and recreational values in a free-flowing condition for the enjoyment of present and future generations. The EPA’s NEPAAssist tool (EPA 2024b) was used to determine the proximity of the project site to designated Wild and Scenic Rivers. The project site is not located near any NWSRS river, including designated Wild and Scenic Rivers, study rivers, and Nationwide Rivers Inventory (NRI) river segments. The nearest designated Wild and Scenic River is the Big Sur River, located approximately 50 miles to</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>
		<p>the south. As such, the project would not result in impacts on designated Wild and Scenic Rivers. Therefore, the project is in compliance with the Wild and Scenic Rivers Act of 1968 (see Attachment 21; see ERR 14).</p>
<p>ENVIRONMENTAL JUSTICE</p>		
<p>Environmental Justice Executive Order 12898</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Environmental justice means ensuring that the environment and human health are protected fairly for all people regardless of race, color, national origin, or income. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, requires certain federal agencies, including HUD, to consider how federally assisted projects may have disproportionately high and adverse human health or environmental effects on minority and low-income populations.</p> <p>In order to better meet the agency’s responsibilities related to the protection of public health and the environment, the EPA has developed the EJScreen mapping and screening tool (EPA 2024a), which provides socioeconomic and environmental information for a selected area. EJScreen shows environmental and demographic information and combines that information together into indices. The project site is within block group 060871216022, which has a population of 1,804 residents in a 0.19-square-mile area. The project block group population is 26% people of color and 41% low income. EJScreen Environmental Justice Indices, which highlight block groups with the highest intersection of low-income populations, people of color, and a given environmental indicator, were used to screen the project area for potential environmental justice concerns. Table 2 summarizes the percentiles at which the block group ranks relative to the entire state and nation for various environmental indicators (i.e., particulate matter, ozone, diesel particulate matter [DPM], air toxics cancer risks,</p>

<p>Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6</p>	<p>Are formal compliance steps or mitigation required?</p>	<p>Compliance determinations</p>																																										
		<p>air toxics respiratory health impacts (HI), toxic releases to air, traffic proximity, lead paint, Superfund proximity, Risk Management Program [RMP] facility proximity, hazardous waste proximity, underground storage tanks (USTs), and wastewater discharge).</p> <p>Table 2. Environmental Justice Indices for Block Group 060871216022</p> <table border="1" data-bbox="852 695 1425 1234"> <thead> <tr> <th>Environmental Indicator</th> <th>State Percentile</th> <th>National Percentile</th> </tr> </thead> <tbody> <tr> <td>Particulate Matter</td> <td>9</td> <td>14</td> </tr> <tr> <td>Ozone</td> <td>13</td> <td>11</td> </tr> <tr> <td>DPM</td> <td>15</td> <td>32</td> </tr> <tr> <td>Air Toxics Cancer Risk</td> <td>55</td> <td>72</td> </tr> <tr> <td>Air Toxics Respiratory HI</td> <td>32</td> <td>56</td> </tr> <tr> <td>Toxic Releases to Air</td> <td>11</td> <td>9</td> </tr> <tr> <td>Traffic Proximity</td> <td>59</td> <td>75</td> </tr> <tr> <td>LBP</td> <td>47</td> <td>62</td> </tr> <tr> <td>Superfund Proximity</td> <td>49</td> <td>68</td> </tr> <tr> <td>RMP Facility Proximity</td> <td>10</td> <td>23</td> </tr> <tr> <td>Hazardous Waste Proximity</td> <td>37</td> <td>73</td> </tr> <tr> <td>USTs</td> <td>0</td> <td>0</td> </tr> <tr> <td>Wastewater Discharge</td> <td>7</td> <td>21</td> </tr> </tbody> </table> <p>Source: EPA 2024a.</p> <p>As shown in Table 2, block group 060871216022 ranks at or below the 59th state percentile and 75th national percentile for all of the environmental indicators. Most environmental indicators rank at far lower percentiles. The census tract encompassing the project site is also not identified as a disadvantaged community in the Climate and Economic Justice Screening Tool (CEJ and USDS 2024), which highlights disadvantaged communities that are in a census tract that is at or above the threshold for one or more environmental, climate, or other burdens; at or above the threshold for an associated socioeconomic burden; on land within the boundaries of Federally Recognized Tribes; or completely surrounded by disadvantaged communities and at or above the 50th percentile</p>	Environmental Indicator	State Percentile	National Percentile	Particulate Matter	9	14	Ozone	13	11	DPM	15	32	Air Toxics Cancer Risk	55	72	Air Toxics Respiratory HI	32	56	Toxic Releases to Air	11	9	Traffic Proximity	59	75	LBP	47	62	Superfund Proximity	49	68	RMP Facility Proximity	10	23	Hazardous Waste Proximity	37	73	USTs	0	0	Wastewater Discharge	7	21
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Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		<p>for low income. Therefore, the project site is not within an environmental justice community of concern.</p> <p>Nonetheless, there are no significant adverse environmental impacts that have been identified in the project's environmental review. The project would have a beneficial impact on the City's low-income population by providing affordable housing. Therefore, there is no adverse environmental impact that would disproportionately occur on low-income and/or minority communities, and the project is in compliance with Executive Order 12898 (see Attachment 22; see ERR 15).</p>

Environmental Assessment Factors [24 CFR 58.40; Ref. 40 CFR 1508.8 & 1508.27]

Recorded below is the qualitative and quantitative significance of the effects of the proposal on the character, features and resources of the project area. Each factor has been evaluated and documented, as appropriate and in proportion to its relevance to the proposed action. Verifiable source documentation has been provided and described in support of each determination, as appropriate. Credible, traceable and supportive source documentation for each authority has been provided. Where applicable, the necessary reviews or consultations have been completed and applicable permits of approvals have been obtained or noted. Citations, dates/names/titles of contacts, and page references are clear. Additional documentation is attached, as appropriate. **All conditions, attenuation or mitigation measures have been clearly identified.**

Impact Codes: Use an impact code from the following list to make the determination of impact for each factor.

- (1) Minor beneficial impact
- (2) No impact anticipated
- (3) Minor Adverse Impact – May require mitigation
- (4) Significant or potentially significant impact requiring avoidance or modification which may require an Environmental Impact Statement

Environmental Assessment Factor	Impact Code	Impact Evaluation
LAND DEVELOPMENT		
<p>Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design</p>	<p>2</p>	<p>The project site is within the coastal zone and is designated Multi-Family Residential (R-M) in the City’s General Plan and is zoned Multi-Family Residential, Medium Density (RM-M).</p> <p>The Capitola General Plan land use designations identify the permitted land uses and intensity of development allowed in all areas of the city. Residential uses in Capitola are grouped together in neighborhoods. The project site is located within the 41st Avenue/West Capitola neighborhood, which is comprised of an assortment of detached single-family homes, multi-family housing, and three mobile home parks. The project site is located in a mixed-use residential and commercial area and is bordered by lands within the City limits to the west and northeast and lands within the County’s unincorporated area to the north, southeast, and south. Adjacent land uses include a mobile home park to the west, single-family residential to the north, community commercial to the east, and multi-family residential to the south. The project’s scale and urban design is consistent with the surrounding uses.</p> <p>The R-M General Plan land use designation applies to areas primarily intended for multifamily residential development. All residential uses are permitted in the R-M designation, including single-family homes, duplex homes, townhomes, and multi-family structures. The project is consistent with permitted uses in this land use designation and also is consistent with the policies of the General Plan.</p> <p>The maximum permitted residential density in the R-M designation is between 10 and 20 dwelling units per acre (du/ac) depending upon the zoning classification (RM-L at 10 du/ac, RM-M at 15 du/ac, and RM-H at 20 du/ac maximums). However, the project includes a Density Bonus request pursuant to California Government Code Sections 65915-65918. The State Density Bonus Law allows 100% affordable housing projects to utilize the 80% Density Bonus increase and up to four concessions/incentives from the City’s development standards. The Density Bonus allows the project to exceed the General Plan density of 15 du/ac in the R-M designation and RM-M zoning district. The project includes four requested concessions pursuant to the State Density Bonus Law for private open space requirements, maximum building height requirements, tree replacement planting ratio requirements, and parking lot landscape percentage requirements. Therefore, pursuant to the State Density Bonus Law, the project would be considered in conformance with the City’s zoning and General Plan land use designations.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>The project is consistent with zoning regulations pursuant to provisions under the State Density Bonus Law, which allow for waivers and concessions to the City’s zoning regulations, the approval of which would not render the project inconsistent with City zoning requirements. The court decision in <i>Wollmer v. City of Berkeley</i> expressly held that the waivers and concessions a city was required to grant for a density-bonus-eligible project did not result in planning and zoning inconsistencies, because the mandatory nature of the waivers meant that those standards were inapplicable to the project. Therefore, the project is consistent with the applicable General Plan land use designation and all applicable General Plan policies as well as with the applicable zoning designation and regulations.</p>
<p>Soil Suitability/ Slope/ Erosion/ Drainage/ Storm Water Runoff</p>	<p>2</p>	<p><u>Soil Suitability and Slope</u></p> <p>The project site is relatively level and is not located near steep slopes. According to the Phase I ESA prepared for the project, soils on the project site are classified by the U.S. Department of Agriculture as Urban Land. This designation indicates that more than 85% of the original soils have been disturbed or covered by paved surfaces, buildings, or other structures. Soil borings conducted during the Phase II subsurface investigation of the project site indicated that the soils underlying the site consist primarily of silts containing gravel, sand, and clay to a total depth of 5.5 feet below ground surface (bgs), and during the focused subsurface investigation indicated that soils underlying the site consist primarily of sandy clays and sands with occasional fine gravel to a total depth explored of 38 feet bgs. As required by local and state regulations and policies, a geotechnical report would be prepared for the project prior to issuance of a building permit to determine soil suitability and provide recommendations for the project, including recommendations for site grading, foundation construction, and other geotechnical considerations, which the project would be required to adhere to. Therefore, no impacts related to soil suitability or slope are anticipated.</p> <p><u>Erosion, Drainage, and Stormwater Runoff</u></p> <p>The Central Coast Regional Water Quality Control Board (RWQCB) has issued Post-Construction Requirements (PCRs) related to stormwater for projects that create and/or replace ≥2,500 square feet of impervious surfaces. The PCRs are a tiered compliance program, based on impervious area, for (1) site design, (2) stormwater runoff treatment, (3) retention, and (4) peak runoff controls. Based on the amount of new impervious surface area that the project would create, the project would be a Tier 4 project (projects that create and replace 22,500 square feet or more of impervious surface). Thus, the</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>project would be subject to the performance requirements of Tiers 1 through 4 related to stormwater, including requirements to minimize runoff and impervious surfaces, treat runoff with an approved and appropriately sized low-impact development (LID) treatment system prior to discharge from the site, prevent off-site discharge from events up to the 95th percentile rainfall event using Stormwater Control Measures (SCMs), and control peak flows to not exceed pre-project flows for the 2-year through 10-year rainfall events. In accordance with the PCRs for a Tier 4 project, the project is required to implement a Stormwater Control Plan.</p> <p>Project construction would disturb more than 1 acre of soil; therefore, the project would also be subject to the State National Pollutant Discharge Elimination System (NPDES) Construction General Permit that would require submittal of a Notice of Intent (NOI) and Stormwater Pollution Prevention Plan (SWPPP) to the State Water Resources Control Board (SWRCB). The SWPPP would include implementation of standard erosion control best management practices (BMPs) to prevent erosion or siltation from construction activities. As described above, the project would be subject to the Central Coast RWQCB PCRs, requiring treatment of post-construction runoff on site.</p> <p>The project is also required to comply with the requirements specified in the Capitola Municipal Code, Chapter 13.16, Storm Water Pollution Prevention and Protection. All construction would be done in accordance with the Public Works Standard Detail for Stormwater Pollution Prevention and Protection for Construction Projects (Drawing No. STRM-BMP). All BMPs and sediment and erosion control measures would be required to be installed prior to the start of construction and maintained throughout the project duration. Therefore, compliance with the above regulatory requirements would ensure that the project would not have adverse impacts related to erosion, drainage, and stormwater runoff.</p>
<p>Hazards and Nuisances including Site Safety and Noise</p>	<p>2</p>	<p><u>Hazards and Site Safety</u></p> <p>Hazards related to contamination and toxic substances are discussed above. As discussed above, explosive or flammable hazardous materials would not be present at the project site, and the project would not expose occupants or end-users of a project to the risk of injury in the event of a fire or an explosion from nearby facilities handling, storing, or processing hazardous materials of an explosive or flammable nature. The Phase I ESA conducted by AEI Consultants did not identify any RECs, CRECs, or HRECs on the project site.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>The City, including the project site, is located in a seismically active region of California with several active or potentially active faults. The regional faults of significance potentially affecting Capitola include the San Andreas (approximately 9 miles northeast of the City), the Zayante (approximately 5 miles northeast of the City), and the Palo Colorado-San Gregorio (approximately 14 miles southwest of the City) faults. The most probable seismic hazards to Capitola are from the San Andreas Fault (in the Santa Cruz Mountains) and, further south, the Palo Colorado-San Gregorio fault (City of Capitola 2020). As such, the project site faces inherent seismic hazards. Damage from an earthquake varies with the local geological conditions, the quality of construction, the energy released by the earthquake, the distance from the earthquake’s focus, and the type of faulting that generates the earthquake. Earthquake related hazards include primary impacts (fault rupture and ground shaking) and secondary impacts (liquefaction).</p> <p>The project site is not located within a State-designated Alquist-Priolo Earthquake Fault Zone, and as such, fault rupture is not a significant geological hazard for the project site. The project site could experience strong seismic ground shaking during an earthquake. According to the City’s Local Hazard Mitigation Plan, the liquefaction potential of the project site is low. Seismic hazards would be addressed through compliance with California building codes which are focused on prioritizing protection of life and property from seismic-related impacts and require adherence to recommendations of a project geotechnical report, including factors for seismic design.</p> <p>The project site is not within a flood zone and is not subject to flood hazards. The project site is not located in an area subject to landslides or mudflows, tsunami inundation, bluff or beach erosion, sea level rise, or wildfire hazards (City of Capitola 2020).</p> <p><u>Nuisances</u></p> <p>The project would not be affected by nuisances atypical of an urban environment. There are no industrial or commercial uses nearby that would generate substantial odors, fumes, smoke, or other nuisances affecting the project site. It is possible that during construction of the project, construction traffic, noise, dust, and vapor encroachment could be considered a nuisance to the construction crew or immediate neighbors; however, any such nuisances would be temporary.</p> <p><u>Noise</u></p> <p>The project is not a noise-generating facility. Noise generated by project operations would be similar to existing conditions and would be typical of other multi-family residential uses in the</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>City. Although the project would involve construction noise near sensitive receptors such as residential uses, construction noise would be temporary. Furthermore, the project would be required to adhere to the City’s noise ordinance (Capitola Municipal Code Chapter 9.12) which governs hours of construction and maximum allowable noise levels received by surrounding land uses.</p> <p>As indicated above in the Noise Abatement and Control analysis, the noise level at the project site would be equivalent to or less than the HUD exterior noise standard of 65 dBA DNL and falls into the “normally acceptable” category.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
SOCIOECONOMIC		
Employment and Income Patterns	1	<p>Project construction would generate a limited number of temporary construction jobs and operation would generate a nominal amount of permanent jobs (e.g., management, clerical, and janitorial jobs), which could result in a minor increase in per capita income. Construction activity could result in direct economic effects related to increased spending on construction materials, equipment, and services. The magnitude of the economic benefits of construction spending to the City’s economy would depend on the proportion of employment, goods, and services procured from local residents and businesses and would likely have a relatively minor benefit on the City’s economy.</p>
Demographic Character Changes, Displacement	1	<p>The proposed project would not have an adverse impact on community character or result in the displacement of existing businesses or individuals because the project would occur on vacant land that was previously developed with an assisted living facility. Since the immediate neighborhood bordering the site is a mixture of residential uses including mobile homes, single-family residential, and multi-family residential; as well as commercial uses, the proposed development would maintain community character. The project would benefit the City by adding 51 affordable housing units to the City’s housing stock, thereby helping the City achieve its RHNA targets.</p>
Environmental Justice	1	<p>As discussed above, based on the EJScreen assessment for the project site, regardless of the population group served by the proposed development, the local population would not be affected disproportionately by environmental issues. The proposed project would have a beneficial impact on the City’s low-income population by providing affordable housing to low-income and very-low-income families.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation																				
COMMUNITY FACILITIES AND SERVICES																						
Educational and Cultural Facilities	2	<p data-bbox="672 331 927 363"><u>Educational Facilities</u></p> <p data-bbox="672 384 1427 680">The project would include a mix of studio, one-, two-, and three-bedroom units to provide affordable housing for individuals and families. Twenty-seven of the total 52 units would have two or more bedrooms. School-aged children would likely be housed by the project. School-aged children would likely attend the schools of residence for the project address. The project site is within the Soquel Union Elementary School District and Santa Cruz City Schools District. The schools that serve the project site are:</p> <ul data-bbox="721 695 1427 947" style="list-style-type: none"> • Soquel Elementary School, located at 2700 Porter Street, Soquel, CA, approximately 1.6 miles to the north • New Brighton Middle School, located at 250 Washburn Avenue, Capitola, CA, approximately 1.5 miles to the northwest • Soquel High School, located at 401 Old San Jose Road, Soquel, CA, approximately 1.8 miles to the north <p data-bbox="672 963 1427 1094">School enrollments have generally been on a downward trend within Santa Cruz County school districts, including the schools serving the project site. Table 3 shows student enrollment trends at the schools serving the project site.</p> <p data-bbox="683 1129 1354 1188">Table 3. Student Enrollment Trends at Schools Serving the Project Site</p> <table border="1" data-bbox="672 1203 1427 1360"> <thead> <tr> <th>School</th> <th>2016-2017</th> <th>2022-2023</th> <th>Δ</th> <th>Percent Change</th> </tr> </thead> <tbody> <tr> <td>Soquel Elementary</td> <td>409</td> <td>358</td> <td>-92</td> <td>-12%</td> </tr> <tr> <td>New Brighton Middle</td> <td>740</td> <td>648</td> <td>-51</td> <td>-12%</td> </tr> <tr> <td>Soquel High</td> <td>1,116</td> <td>974</td> <td>-142</td> <td>-13%</td> </tr> </tbody> </table> <p data-bbox="683 1367 894 1394"><i>Source: CDE 2024.</i></p> <p data-bbox="672 1430 1427 1793">As shown in Table 3, according to data from the California Department of Education (CDE 2024), as of the 2022-2023 school year, enrollments were 358 students for Soquel Elementary School, 648 students for New Brighton Middle School, and 974 students for Soquel High School, down approximately 12% to 13% since the 2016-2017 school year. Therefore, school-aged children generated by the project’s 52 residential units would represent a nominal increase in enrollment at the schools serving the project site, which the schools would have the capacity to accommodate (see Attachment 23).</p>	School	2016-2017	2022-2023	Δ	Percent Change	Soquel Elementary	409	358	-92	-12%	New Brighton Middle	740	648	-51	-12%	Soquel High	1,116	974	-142	-13%
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Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p><u>Cultural Facilities</u></p> <p>Cultural facilities include publicly accessible buildings, structures, and establishments that are used primarily for the performance, exhibition, or benefit of arts and heritage activities, including, but not limited to, performing arts, visual arts, heritage and cultural endeavors. Numerous cultural facilities would be accessible to project occupants in the immediate project area and beyond within Santa Cruz County, including cinemas, galleries, libraries, museums, theaters, and stadiums.</p> <p>Cultural facilities near the project site include the Capitola Historical Museum approximately 0.8 miles to the northeast, and Esplanade Park approximately 0.9 miles to the northeast. The Capitola Branch Library, located at 2005 Wharf Road, is located approximately 0.8 miles northwest of the project site.</p> <p>The project would result in an incremental increase in demand for cultural facilities. However, as an affordable housing project, the project would be expected to serve existing area residents by addressing existing unmet needs for rental assistance in the project area, rather than result in an influx of new residents. Furthermore, due to the relatively small project size, any incremental increase in demand would not exceed the capacity of existing facilities.</p> <p>Santa Cruz County showcases an array of talent through its art galleries, museums, festivals, and outdoor theater performances. Premier cultural events like Open Studios, Santa Cruz Shakespeare, the Scotts Valley Art & Wine, the Capitola Art & Wine Festival, Capitola Twilight Concerts, Cabrillo Festival of Contemporary Music, the Santa Cruz Film Festival and others draw visitors to this vibrant, eclectic area. Santa Cruz County offers countless cultural events and venues offering live music, outdoor theater and more. There are adequate cultural facilities in the City and surrounding areas of the County to accommodate any potential increased usage generated by the project.</p>
Commercial Facilities	1	<p>The project site is located one block from the 41st Avenue commercial corridor, and would be potentially beneficial to nearby businesses as a result of increased business. Additionally, placing residents in more affordable housing provides more disposable income for spending on hard and soft goods.</p>
Health Care and Social Services	2	<p><u>Health Care</u></p> <p>Because the proposed project is relatively small in size and would likely serve existing area residents, it would not be expected to significantly impact demand for health care in the</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>area. Sufficient health care is available in the surrounding community to handle any potential increase in demand. Northwest of the project site on Soquel Drive, Sutter Maternity and Surgery Center is located approximately 1.5 miles away and Dominican Hospital is located approximately 1.75 miles away. Dominican Hospital is fully staffed to handle any needs generated from the project. Palo Alto Medical Foundation and Sutter Urgent Care, Geriatrics unit and other health care offices and facilities are located approximately 1.95 miles northwest of the project site on Soquel Avenue. Numerous other smaller health care facilities including clinics and specialty services are also located in the area. Thus, the project would not be expected to have adverse impacts on health care services.</p> <p><u>Social Services</u></p> <p>Social services are offered by a wide variety of both public and private non-profit agencies in the City of Capitola and broader community within Santa Cruz County. These agencies provide a variety of services to residents including: benefits enrollment, connection to other community services such as health care, education/vocational training and career development, harm reduction strategies, veteran’s services, child protective services, foster care, nutrition assistance, and cash aid, among others. The project would result in an incremental increase in demand for social services, but would not be expected to have adverse impacts on such services given that the project would likely serve existing area residents would be relatively small in size.</p>
Solid Waste Disposal / Recycling	2	<p>Solid waste disposal and recycling services at the project site would be provided by GreenWaste, whose local office is located at 375 Industrial Road, Watsonville, CA 95076. The City of Capitola has received service from GreenWaste since 2008. Capitola’s recyclable materials are delivered to the Watsonville Transfer Facility, consolidated, and transported to GreenWaste’s Material Recovery Facility in San Jose, CA, where they sorted and processed. with more than 80% of materials diverted from the landfill. Garbage and organics material are delivered to the Monterey Regional Waste Management District’s Monterey Peninsula Landfill in Marina for processing and/or disposal (GreenWaste 2024).</p> <p>All waste generated during the construction and operational phases of the project would be properly disposed of and recycled where possible. The amount of solid waste generated by the proposed project during the construction and operational phases would be a fraction of the throughput taken in by GreenWaste daily. Adverse impacts from solid waste disposal associated with the proposed project are not anticipated.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
Waste Water / Sanitary Sewers	2	<p>The Santa Cruz County Sanitation District (SCCSD) provides sanitary sewer services to the City of Capitola, including the project site. The SCCSD maintains pipelines transporting waste from the SCCSD to the Santa Cruz City Wastewater Treatment Facility (WWTF), located at Neary Lagoon in the City of Santa Cruz. The project would connect to existing wastewater and sanitary sewer facilities. The project does not include the construction or use of a septic system. The proposed project would not require construction of additional sewage infrastructure. Adverse impacts to wastewater systems and sanitary sewers servicing the project site are not anticipated; the WWTF has more than adequate capacity to serve the project (County of Santa Cruz 2022).</p>
Water Supply	2	<p>The project site is located within the service area of the City of Santa Cruz Water Department (SCWD), which serves an approximate 20-square-mile area. The project would be connected to the City's public water system and does not include the use of a groundwater well. Therefore, the project would not affect groundwater supplies or recharge or impede sustainable groundwater management.</p> <p>The project is within the growth projections accounted for in the SCWD's 2020 Urban Water Management Plan (UWMP) (City of Santa Cruz Water Department 2021). Although water supply shortfalls were identified for some drought years, the UWMP includes strategies to increase water supplies and includes measures that would reduce or minimize increased water demand during these periods. The proposed project would be subject to City requirements for installation of water conservation fixtures and landscaping for new construction, as well as compliance with curtailment requirements during a drought if imposed by the SCWD. In addition, the project would pay the required "System Development Charge" for the required new service connection. This charge as set forth in Chapter 16.14 of the City's Municipal Code is intended to mitigate the water supply impacts caused by new development in the City of Santa Cruz water service area, and the funds are used for construction of public water system improvements and conservation programs. Therefore, the project would not have adverse impacts on water supply.</p>
Public Safety - Police, Fire and Emergency Medical	2	<p>Police protection to the project site is provided by the City of Capitola. Fire and emergency medical services are provided by the Central Fire District of Santa Cruz County, which serves approximately 90,500 residents throughout Aptos, Capitola, La Selva Beach, Live Oak, Rio Del Mar, and Soquel (Central Fire District 2023). The Capitola Police Department is located at</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>422 Capitola Avenue, Capitola, CA 95010, approximately 0.8 miles northeast of the project site. The closest fire station to the project site is Central Fire District Station 1, which is located approximately 1 mile west of the project site at 930 17th Avenue, Santa Cruz, CA 95062. The project would result in an incremental increase in demand for police, fire, and emergency medical services at the project site. The project would be required to comply with all applicable codes for fire safety and emergency access. Therefore, the project would not have adverse impacts on public safety.</p>
Parks, Open Space and Recreation	2	<p>There are abundant parks, open space, and recreational facilities in the Capitola, Santa Cruz County, and the surrounding areas. The Capitola Recreation Division (Capitola Recreation) operates the Capitola Community Center and Jade Street Park, both located at 4400 Jade St, Capitola, CA 95010, approximately 0.3 miles east of the project site. Capitola Recreation offers various programs from children, adults, and seniors, such as school break camps, an after-school recreation program, junior guards, summer camp, and adult sports (City of Capitola 2024).</p> <p>The County of Santa Cruz Department of Parks, Open Space, and Cultural Services operates a total of 38 neighborhood, community, and regional parks, and manages 883 acres of parks and 710 acres of open space, totaling 1,593 acres of parkland in unincorporated Santa Cruz County (Santa Cruz County Parks 2024). County parks include dog parks, garden plots to rent, surf schools and an adopt-a-beach program. The project site is located less than 0.5 miles west of Brommer Street County Park and north of Floral County Park.</p> <p>Numerous coastal access points are located in the project area. Capitola State Beach and New Brighton State Beach are approximately 0.6 miles and 1.5 miles northeast of the project site, respectively. In addition, MacGregor Park is located adjacent to New Brighton State Beach and operated by the Capitola Department of Public Works. Within 3.5 miles to the northeast is the 10,000-acre Forest of Nisene Marks State Park. Given the relatively small size of the project and the large number of local and State parks in the vicinity, the project would not have an adverse impact on parks, open space, and recreation.</p>
Transportation and Accessibility	2	<p><u>Trip Generation and Vehicle Miles Traveled</u></p> <p>Dudek prepared a trip generation and VMT screening analysis for the project in February 2024 (see Attachment 24). The analysis found that the project would generate approximately 250 daily vehicle trips, with 26 trips in the AM peak hour and</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>24 trips in the PM peak hour. These peak-hour trip generation estimates are too low to have a measurable effect on existing level of service (LOS).</p> <p>The City’s Senate Bill (SB) 743 Implementation Guidelines provide details on appropriate screening thresholds that can be used to identify when a project is anticipated to result in a less-than-significant VMT impact without conducting a more detailed analysis. A land use project only needs to meet one of the following seven criteria to result in a less-than-significant finding: 1) Small Projects; 2) Projects Near High Quality Transit; 3) Local-Serving Retail; 4) Affordable Housing; 5) Local Essential Service; 6) Map-Based Screening; and 7) Redevelopment Projects. The project is a 100% affordable residential development in an infill location; therefore, according to the City’s guidelines, it would have a less-than-significant impact on VMT and is screened out of conducting further analysis. The project would be expected to shorten commutes and overall reduce VMT. Therefore, the project would not have an adverse effect on LOS or VMT.</p> <p><u>Transit Facilities</u></p> <p>Bus transit service and paratransit service in the City is provided by Santa Cruz Metropolitan Transit (Metro), which serves the entirety of Santa Cruz County. The closest bus stops to the project site are located on both sides of 38th Avenue, adjacent to the project site. These stops are served by Route 3A/3B and the nearest transit hub is located at 41st Avenue and Capitola Road, approximately 0.5 miles from the project site.</p> <p>There are three bus routes that serve the project site: Route 2, Route 3A/3B, and Route 55. Route 2 provides service between Capitola and Watsonville and runs on weekdays from 6:15 a.m. to 9:30 p.m. with 30-minute headways, and on weekends from 8:15 a.m. to 8:45 p.m. also with 30-minute headways. Route 3A/3B provides service between Capitola and the University of California, Santa Cruz, and runs on weekdays from 5:55 a.m. to 10:25 p.m. with 60-minute headways, and on weekends from 7:00 a.m. to 11:00 p.m. with 60-minute headways. Route 55 provides service between Capitola and Rio Del Mar and runs on weekdays from 8:30 a.m. to 7:45 p.m. with 100-minute headways, and on weekends at 9:00 a.m., 1:00 p.m., and 5:00 p.m. Thus, transit services would be available to project residents, and the project would have no adverse effect on transit facilities.</p> <p><u>Pedestrian and Bicycle Facilities</u></p> <p>There are no existing bicycle facilities adjacent to the project site along 38th Avenue, but a Class II Bicycle Lane exists</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>nearby on 41st Avenue. Per the City’s General Plan Mobility Element, the proposed facilities in the vicinity of the project include Class II facilities along 38th Avenue. The majority of adjacent streets to the project site provide sidewalks. Per the Mobility Element, streets with missing sidewalks are to be addressed by the City via the Capital Improvement Program.</p> <p>Additionally, the County expects to expand the Coastal Rail Trail along the railroad tracks along the northern boundary of the project site, expanding pedestrian and bicycle facilities in the vicinity. The planned Coastal Rail Trail Segments 10 and 11 consist of an approximately 4.5-mile, Americans with Disabilities Act (ADA)-accessible bicycle/pedestrian path that generally extends along the Santa Cruz Branch Rail Line corridor from 17th Avenue in the City of Santa Cruz to State Park Drive in the Seacliff neighborhood in the County’s unincorporated area. Segment 10 will run along the northern border of the project site, providing bicycle and pedestrian connectivity with local schools, parks, beaches, community recreation centers, and multiple residential and commercial neighborhoods. These two segments are fully funded, and a schedule for construction is expected to be released in the Spring of 2024.</p> <p>Thus, pedestrian and bicycle facilities would be available to project residents, and the project would have no adverse effect on pedestrian and bicycle facilities.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
NATURAL FEATURES		
Unique Natural Features, Water Resources	2	<p>The project site is located in a developed residential and commercial area and is currently vacant following demolition of the previous use of the site as an assisted living facility. Remnants of the previous development in the form of asphalt parking areas and landscaping remain on the site. The project site does not contain any unique natural features or water resources. There are no watercourses, wetlands, or other aquatic resources present on or near the project site. Therefore, the project would have no impact on unique natural features or water resources.</p>
Vegetation, Wildlife	2	<p>Remnant ornamental landscaping from the previous use of the site as an assisted living facility is present on the project site. The project site does not contain native vegetation or critical habitat for any special-status plant or wildlife species.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		Therefore, the project would have no impact on vegetation or wildlife.
Other Factors	1	The project will provide low-income, affordable housing and provide onsite services and programs for residents. The project will provide a safe, clean, and sanitary place for residents in a location convenient to public transportation and other amenities. The proposed project is beneficial to both residents and the community.

Environmental Assessment Factor	Impact Code	Impact Evaluation
CLIMATE AND ENERGY		
Climate Change Impacts	2	<p>Although climate change is driven by global atmospheric conditions, climate change impacts are felt locally. An expanding body of scientific research supports the theory that global climate change is currently causing changes in weather patterns, average sea level, ocean acidification, chemical reaction rates, and precipitation rates, and that it will increasingly do so in the future. The climate and several naturally occurring resources within California are adversely affected by climate change. Increased precipitation and sea level rise will increase coastal flooding, saltwater intrusion, and degradation of wetlands. Mass migration and/or loss of plant and animal species could also occur. Potential effects of global climate change that could adversely affect human health include more extreme heat waves and heat-related stress; an increase in climate-sensitive diseases; more frequent and intense natural disasters such as flooding, hurricanes, and drought; and increased levels of air pollution.</p> <p>The frequency and severity of natural hazards may be affected by climate change, including flooding, sea-level rise, hurricanes and extreme storms, drought, extreme heat, wildfire, landslides, and extreme cold. Similarly, climate change may alter site suitability factors, such as air quality, urban heat island effects, soil stability, water resources, groundwater availability (e.g., water table level, reliance on a sole source aquifer), excessive stormwater runoff and site flooding, wastewater control systems, and water treatment facilities.</p> <p>The Climate Mapping for Resilience and Adaptation (CMRA) tool (NOAA 2023) and FEMA’s National Risk Index mapping tool (FEMA 2024b) were used to assess exposure to the following five key climate hazards at the project site: extreme heat, drought, wildfire, flooding, and coastal inundation from sea-level rise. FEMA’s National Risk Index ratings range from very low to very high and are provided at the County level and, for some hazards,</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<p>at the census tract level. At the County level, the primary climate hazard is wildfire (National Risk Index rating of relatively high), followed by drought and flooding (National Risk Index rating of relatively moderate). The County’s risk of exposure to extreme heat is rated as relatively low and to coastal inundation is rated as very low. At the census tract level, heat wave, coastal flooding, and riverine flooding risks are rated relatively low (FEMA 2024b). Ratings at the census tract level are not available for drought and wildfire. However, drought is a function of precipitation and temperature and would be the same for the census tract as for the County as a whole. Wildfire hazard, on the other hand, varies spatially depending on proximity to wildlands. In the County, wildfire hazards are relatively high to very high in the north coast and mountain regions, where developed areas are intermingled with undeveloped wildlands, but are relatively low to very low in urbanized areas near the coast (see Attachments 25 and 26). While there is no wildfire risk rating for the census tract encompassing the project site, adjacent census tracts to the north and south have a rating of very low for wildfire risk. Given the project site’s location in an urbanized area near the coast, wildfire risk does not pose a substantial climate-related hazard to the project site.</p> <p>As described further below, the project would not include use of natural gas. The project would include EV charging stations and would comply with the California Green Building Standards (CALGreen) Code, which would ensure the project incorporates various measures to reduce greenhouse gas (GHG) emissions. The project is located near transit facilities in an infill location and would be expected to shorten commutes and reduce overall VMT, which would serve to reduce GHG emissions associated with motor vehicle travel. Therefore, the proposed project would not contribute substantially to GHG emissions or climate change impacts.</p>
Energy Efficiency	2	<p>The project would be required to comply with applicable building energy efficiency standards pursuant to Title 24, Part 6 of the California Code of Regulations. At the building permit stage, the project would comply with the CALGreen Code that establishes mandatory green building standards for all buildings in California. The project would be 100% electric and would not utilize any natural gas. The proposed project would include EV charging stations. The project site is also located in close proximity to public transportation, with bus stops adjacent to the project site on 38th Avenue, and the nearest transit hub located approximately 0.5 miles away at 41st Avenue and Capitola Road.</p>

Additional Studies Performed:

- Arborist Report, prepared by Kurt Fouts, July 2023
- Phase I Environmental Site Assessment, prepared by AEI Consultants, August 2022
- Limited Phase II Subsurface Investigation, prepared by AEI Consultants, November 2022
- Focused Additional Subsurface Investigation Report, prepared by AEI Consultants, January 2024
- Transportation Memo, prepared by Dudek, March 2024
- Cultural Resources Memo, prepared by Dudek, March 2024

Field Inspection (Date and completed by):

- Tree survey, completed by Kurt Fouts, May 19, 2023
- Phase I ESA site reconnaissance, completed by Paige Callahan of AEI Consultants, August 1, 2022
- Limited Phase II Subsurface Investigation, completed by AEI Consultants, October 6, 2022
- Focused Additional Subsurface Investigation, completed by AEI Consultants, December 28 and 29, 2023

List of Sources, Agencies and Persons Consulted [40 CFR 1508.9(b)]:

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USFWS (U.S. Fish and Wildlife Service). 2024a. Coastal Barrier Resources System Mapper. Version 2.1.3. Accessed February 8, 2024, at <https://fwsprimary.wim.usgs.gov/CBRSMapper-v2/>.

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List of Permits Obtained:

- Coastal Development Permit
- Design Permit

Public Outreach [24 CFR 50.23 & 58.43]:

The proposed project was presented to the Planning Commission on April 4, 2024. Property owners within 300 feet of the project site were sent notices regarding this meeting. Also, meeting notices were published in the newspaper of general circulation in accordance with California State Law.

The Draft Environmental Assessment will be made available for public review and comment beginning on June 3, 2024, and concluding on June 18, 2024. The combined Notice of Finding of No Significant Impact (FONSI)/Notice of Intent to Request Release of Funds (NOI-RROF) will be published in the newspaper and will contain information about where the public may find the Environmental Review Record pertinent to the project.

Cumulative Impact Analysis [24 CFR 58.32]:

The proposed project would not contribute to a significant cumulative impact because it would consist of an urban development project consistent with the site's General Plan land use and zoning designations, and would be near existing transit services and commercial amenities. State and local planning guidelines encourage the development of urban multi-family housing in areas served by transit and near commercial amenities because this type of development contributes less to cumulative effects on the environment in comparison to development of previously undisturbed sites in more remote locations with fewer transit connections, many of which may contain native vegetation and wildlife species.

Alternatives [24 CFR 58.40(e); 40 CFR 1508.9]

Site identification has proven to be a major obstacle in providing affordable housing units. Residential sites available at reasonable cost are extremely limited, and sites that do not meet cost and land use criteria are generally eliminated as alternatives. The developer identifies potential properties for affordable housing based on feasibility, location, affordability, and ownership/site control of a potential project site. In addition to the developer's site selection criteria, physical and social constraints are also considered in identifying and rejecting alternatives.

A reduced density of the project site was considered but deemed infeasible and contrary to state law permitting Density Bonuses for affordable housing projects. A reduced-density project would be inconsistent with the planning application approvals already achieved.

Based on the developer's site selection criteria and constraints that limit identification of alternative affordable housing project sites, and well as the State Density Bonus Law, no other build alternatives are analyzed or included in this environmental document.

No Action Alternative [24 CFR 58.40(e)]:

Under the No Action Alternative, the proposed project would not proceed, and the project site would remain vacant for the foreseeable future. The beneficial impacts identified in this EA would not occur related to providing much-needed affordable housing and associated amenities to the community. The project site may remain vacant, or potentially sold for other development purposes. It is unknown at this time if or when another proposed development would be forthcoming. As previously stated, the project site is designated R-M in the City's General Plan and is zoned RM-M. All residential uses are permitted in the R-M designation, including single-family homes, duplex homes, townhomes, and multi-family structures. Public facilities, such as schools, religious institutions, parks, and other community facilities appropriate within a multi-family residential setting are also permitted. Thus, it is reasonable to assume that any forthcoming proposed projects could involve such uses. Physical impacts to the environment would occur if and when the project site were developed with another use, whether subsidized with federal funds or built at market rates.

Summary of Findings and Conclusions:

The project involves the construction of a 52-unit affordable housing development on a vacant parcel at 1098 38th Avenue in Capitola, CA, including four 2- and 3-story buildings. The project would have no significant effect on the quality of the human environment, and no mitigation measures are required. The project would benefit the City of Capitola and low-income residents needing affordable housing by providing high-quality affordable housing in a desirable area with access to transit services, commercial amenities, employment opportunities, and all standard community services. Residents of the affordable housing project would benefit from being in proximity to transportation corridors and activity centers which would provide opportunity for employment, social engagement, and commerce. The proximity of existing transit options to the project site would reduce long-term air emissions and energy use associated with motor vehicle travel.

Because the project is within a developed urban area, the project would be adequately served by utilities and public services. The project would conform to all applicable federal, state, and local regulations associated with land use compatibility, air pollutant emissions, water quality, geologic hazards, and related environmental resources addressed herein. Based on the analyses of environmental issues contained in this document, the project is not expected to have significant environmental impacts.

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure
—	No mitigation measures are required.

Determination:

- Finding of No Significant Impact** [24 CFR 58.40(g)(1); 40 CFR 1508.27]
The project will not result in a significant impact on the quality of the human environment.
- Finding of Significant Impact** [24 CFR 58.40(g)(2); 40 CFR 1508.27]
The project may significantly affect the quality of the human environment.

Preparer Signature: Catherine Wade Date: May 29, 2024

Name/Title/Organization: Catherine Wade, PhD, Project Manager, Dudek

Certifying Officer Signature: Katie Herlihy Date: May 29, 2024

Name/Title: Katie Herlihy, Community Development Director

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).