



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) CAPITAL PROJECTS STANDING COMMITTEE MEETING AGENDA

MAY 14, 2021 – 10:30AM

DUE TO COVID-19, THE MAY 14, 2021 SANTA CRUZ METRO CAPITAL PROJECTS STANDING COMMITTEE MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Directors, staff and the public may participate remotely via Zoom [at this link](#) and entering the passcode (537576) or by calling 1-669-900-9128 Meeting ID 846 2621 3614

Public comment may be submitted via email to boardinquiries@scmttd.com. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board's weekly correspondence that is posted online at board meeting packet link.

The Capital Projects Standing Committee Meeting Agenda Packet can be found online at www.SCMTD.com.

The Committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

COMMITTEE ROSTER

Director Bruce McPherson
Director Donna Meyers
Director Larry Pageler

County of Santa Cruz
City of Santa Cruz
County of Santa Cruz

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

MEETING TIME: 10:30AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1. CALL TO ORDER

2. **ROLL CALL**
3. **ADDITIONS/DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
4. **ORAL AND WRITTEN COMMUNICATIONS TO THE CAPITAL PROJECTS STANDING COMMITTEE**

This time is set aside for Directors and members of the public to address any item not on the Agenda, but which is within the matter jurisdiction of the Committee. If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.
5. **CONSIDERATION OF AUTHORIZING THE CEO/GM TO SUBMIT A JOINT APPLICATION WITH THE CITY OF SANTA CRUZ FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM**

John Urgo, Planning and Development Director
6. **ADJOURNMENT**

Accessibility for Individuals with Disabilities

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmtd.com. Upon request, Santa Cruz METRO will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to boardinquiries@scmtd.com or submitted by phone to the Executive Assistant at 831.426.6080. Requests made by mail (sent to the Executive Assistant, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Public Comment

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included in the official report, please include it in your email. Comments that require a response may be deferred for staff reply.



DATE: May 14, 2021
TO: Capital Projects Standing Committee
FROM: John Urgo, Planning and Development Director
SUBJECT: **CONSIDERATION OF AUTHORIZING THE CEO/GM TO SUBMIT A JOINT APPLICATION WITH THE CITY OF SANTA CRUZ FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM**

I. RECOMMENDED ACTION

That the Board of Directors approve a resolution authorizing the CEO/GM to submit a joint application with the City of Santa Cruz for the Affordable Housing and Sustainable Communities (AHSC) program.

II. SUMMARY

- On June 26, 2020, the Santa Cruz Metropolitan Transit District (METRO) Board of Directors (Board) approved a Memorandum of Understanding (MOU) between the City of Santa Cruz (City) and METRO, in which the City and METRO agreed to work together to apply for a state Affordable Housing and Sustainable Communities (AHSC) grant to redevelop the current Pacific Station Transit Center (Pacific Station) site and adjacent City-owned properties into a bus tarmac and mixed use development.
- Staff is seeking Board approval to authorize the CEO/GM to jointly apply with the City of Santa Cruz for and submit the AHSC Program Application on June 8, 2021, in a total amount not to exceed \$30,000,000.

III. DISCUSSION/BACKGROUND

The Pacific Station is in dire need of substantial investment. METRO and the City have studied and discussed the future development/redevelopment of the Pacific Station for over ten years and METRO and the Federal Transit Administration (FTA) have invested over one million dollars in these studies/analyses over that period of time.

METRO, in partnership with the City, contracted for two separate consultant engagements in 2018 to determine if the current downtown-centric bus hub operations is the best approach going forward and to determine the minimum number of bus bays METRO will require, taking into consideration potential future growth in operations:

- 1) The *Downtown Transit Operations Analysis* reviewed the overall strategic approach to providing METRO bus service in downtown Santa Cruz and determined that an off-street, 22-24 bus bay facility is the most efficient way to accommodate METRO's bus service serving downtown.
- 2) *Conceptual Layout Drawings* were also completed, which determined that a 22-24 bus bay facility was indeed feasible on the proposed site consisting of METRO and City-owned property ((including the NIAC building and the City-owned parking lot on Pacific Avenue).

Following the completion of the two studies, METRO staff contracted for a thorough review of the structural condition of the Pacific Station main building and then analyzed three possible scenarios to address the urgent need to replace or rehabilitate the transit facility:

- Scenario 1: Pacific Station Refurbishment/Rehabilitation – Estimate \$5.6 million
- Scenario 2: Complete Rebuild of the Existing Station – Estimate \$12.5 million
- Scenario 3: Total Redevelopment of Pacific Station – Estimated at \$8 million

In order to advance Scenario 3, on April 26, 2019, the METRO Board approved the concept of exploring a development partnership with the City and the commitment to a “turnkey” bus tarmac, inclusive of ancillary functions and amenities, that would meet METRO's specifications in the amount of \$4 million. The \$4 million commitment will be achieved by METRO setting aside \$1 million per year for four successive years, starting in FY20. Any shortfall in funding needed to construct a turnkey bus tarmac, inclusive of all METRO required ancillary functions and amenities, will require the identification of non-METRO funding source(s) and grants.

On June 26, 2020, the Board approved a Memorandum of Understanding (MOU) between the City of Santa Cruz and METRO, expiring December 31, 2022, in which the City and METRO agree to work together to jointly apply for a state Affordable Housing and Sustainable Communities (AHSC) grant to redevelop the current Pacific Station site and adjacent City-owned properties. METRO and City staff have since met regularly to develop a site plan and development concept, including the configuration of the bus bays, the size of the tarmac and the concept of a mixed-use project that includes METRO offices.

In November 2020, the City initiated an RFP process to find a developer partner to execute this vision. The winner of that process is First Community Housing (FCH), a mission-oriented nonprofit that over the past 30 years has focused on building neighborhood-based, service-enriched communities throughout Silicon

Valley and the Greater Bay Area, including in Santa Cruz. FCH's responsibility is to deliver the turnkey project planned by the City and METRO.

The project will combine the renovation of the Pacific Station bus terminal with the construction of a seven-story, 89-unit, net-zero affordable housing development. The development will include 4,470 square feet (sf) of new retail space, 8,760 sf of additional commercial office space along Pacific Avenue, and space for METRO's customer service and operator space needs. The 22-bay bus facility will be oriented towards Front Street with the project incorporating several streetscape improvements to make the area more bike- and pedestrian-friendly and create better connections to transit, downtown and to the riverfront:

- A widened entry to Maple Alley will create a prominent new gateway plaza for the bus station and a distinct public identity for METRO.
- A bike hub, café and retail space frame the entry to the bus station.
- The length of Maple Alley will serve several purposes: as a promenade linking downtown to the regional trail network, an outdoor waiting room for transit riders and a public gathering space supporting ground-floor retail.

There will be also be 5,000 sf of landscaped areas around the development, including ground-level rain gardens, street trees, a living wall 'green screen' along Maple Alley, and 'green columns' supporting a solar PV array above the bus station. The 1.5-megawatt solar array has the capacity to produce net-positive energy for all program areas of the building.

The City and METRO are preparing to submit the AHSC program joint application by the June 8, 2021 deadline.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This proposed action is consistent with the following Board Strategic Priorities:

1. Financial Stability, Stewardship & Accountability
2. Service Quality and Delivery
3. Internal and External Technology
4. State of Good Repair
5. Strategic Alliances and Community Outreach

V. FINANCIAL CONSIDERATIONS/IMPACT

- On April 26, 2019, the METRO Board authorized a set-aside of \$1 million per year for four consecutive years from its \$3 million/year bus replacement capital program for the Pacific Station redevelopment project. The first \$1 million was set aside in the FY20 budget year.

- The MOU envisioned that METRO would expend a portion of these funds to accomplish certain tasks related to the bus tarmac as the City and METRO endeavor to achieve a shovel ready project for grant submission. To date, the City and METRO have shared all project costs related to the bus tarmac and preparation of the AHSC grant application, with a total cost to METRO of under \$20,000.

VI. ALTERNATIVES CONSIDERED

The Board could choose to give staff alternate direction, which could include:

- Abandoning the concept of a joint development and instead moving forward on one of the remaining two scenarios described above.
- Abandoning all rehabilitation/redevelopment concepts and continue instead to repair the facility ongoing as needed.

VII. ATTACHMENTS

Attachment A: Resolution authorizing the CEO/GM to submit a joint application with the City of Santa Cruz for the Affordable Housing and Sustainable Communities (AHSC) program

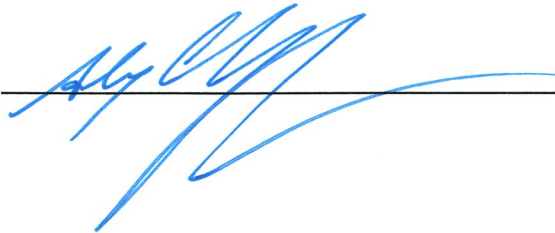
Prepared by: John Urgo, Planning Development Director

VIII. APPROVALS

Approved as to fiscal impact:
Chuck Farmer, CFO



Alex Clifford, CEO/General Manager



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Attachment A



BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.
On the Motion of Director:
Duly Seconded by Director:
The Following Resolution is Adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING THE CEO/GM TO SUBMIT A JOINT APPLICATION WITH THE CITY OF SANTA CRUZ FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM

WHEREAS, The State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated February 26, 2021 (NOFA), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) and the City of Santa Cruz, as co-applicants (Applicant) desire to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program; and

WHEREAS, The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program; and

WHEREAS, as currently approve by the METRO Board on April 26, 2019, METRO's total financial contribution to the Project is \$4,000,000 for a turnkey redevelopment project with the City of Santa Cruz, exclusive of any value derived from the use of METRO's real estate assets.

Attachment A

Resolution No. _____
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NOW, THEREFORE, BE IT RESOLVED, that:

Section 1. Applicant is hereby authorized and directed to jointly apply with the City of Santa Cruz for and submit to the Department the AHSC Program Application as detailed in the NOFA dated February 26, 2021, for Round 6 in a total amount not to exceed \$30,000,000.00 of which \$20,000,000.00 is requested as a loan for an Affordable Housing Development (AHD) (“AHSC Loan”) and \$10,000,000.00 is requested for a grant for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities (“AHSC Grant”) as defined in the AHSC Program Guidelines adopted by SGC on February 24, 2021. If the application is approved, the Applicant is hereby authorized and directed to jointly enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$30,000,000.00 (\$20,000,000.00 for the AHSC Loan and \$10,000,000.00 for the AHSC Grant), and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the “AHSC Documents”).

Section 2. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

Section 3. The CEO/GM, or designee, is authorized to jointly execute with the City of Santa Cruz in the name of Applicant the AHSC Program Application Package and the AHSC Program Documents as required by the Department for participation in the AHSC Program.

PASSED AND ADOPTED this 21st Day of May 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Attachment A

Resolution No. _____
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Approved:

Donna Lind, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie A. Sherman, General Counsel

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