



Main Street Commercial Presents

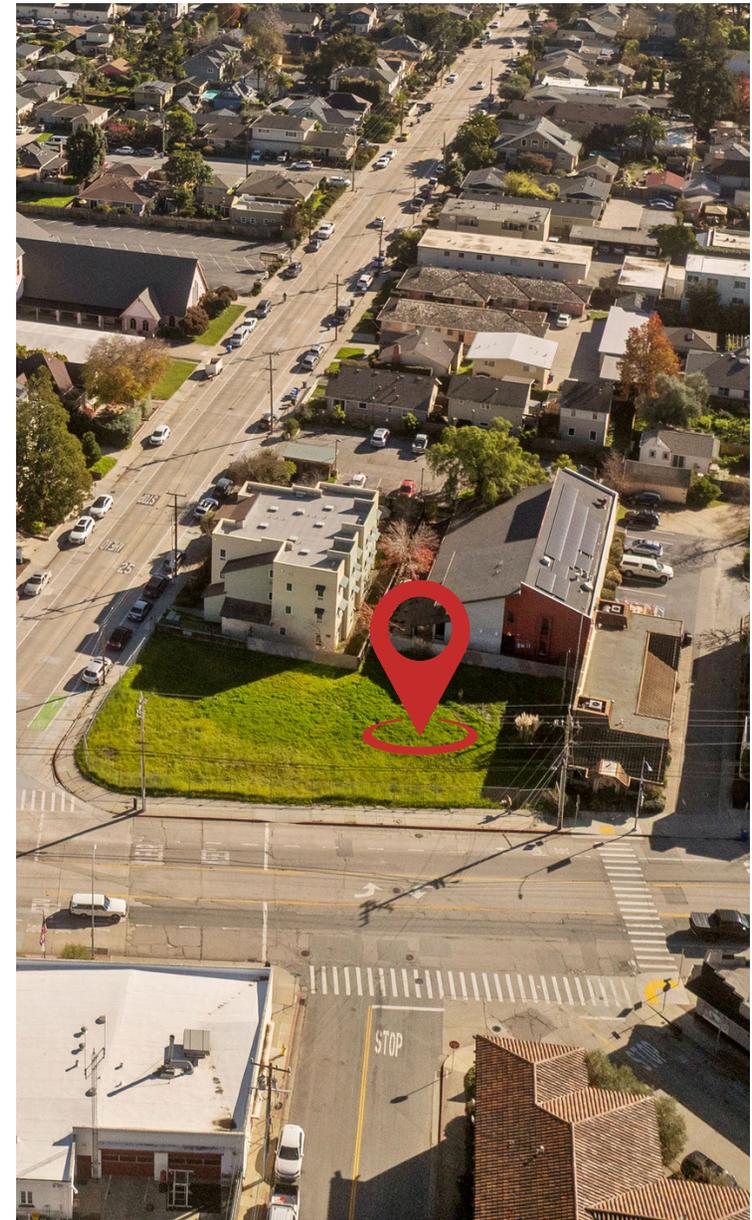
HIGH DENSITY DEVELOPMENT PARCEL (OPPORTUNITY ZONE)



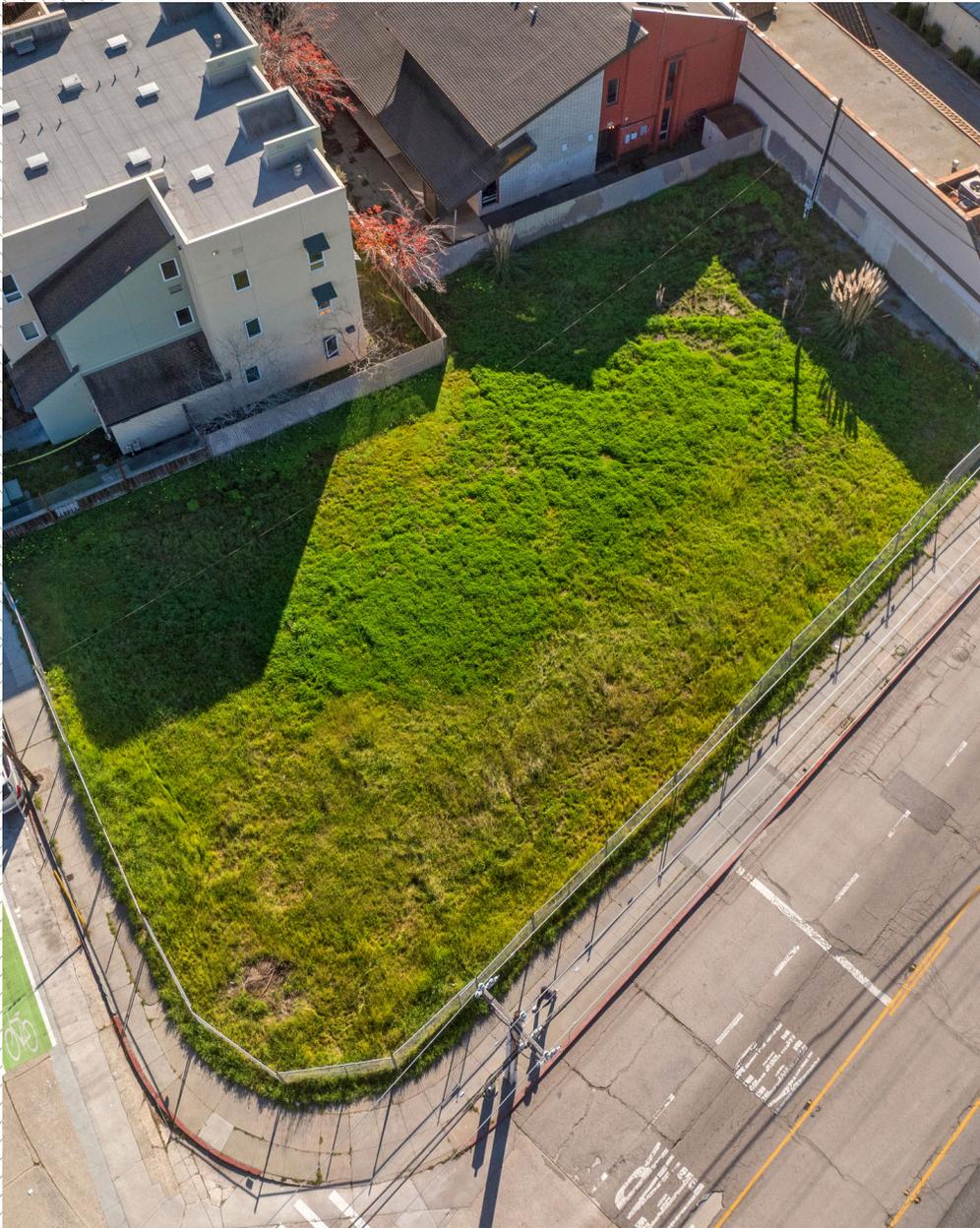
1024 Soquel Ave., Santa Cruz, CA
Offered for \$ 2,250,000

INTRODUCTORY OVERVIEW

- Rare development opportunity at 1024 Soquel Ave, in Santa Cruz's red-hot Eastside, convenient to anchors SC Athletic Club, Whole Foods, Shopper's Corner and Staff of Life, alongside popular food and entertainment venues that include The Rio Theater, Lillian's, The Crepe Place, Sante Adairius Brewery and much more.
- Located directly across the street from the large Public Parking Lot where the City also hosts the weekly Summer live entertainment and food truck events of Midtown Fridays. This +/-0.27-acre corner parcel is a high-density mixed-use site located within a federal Opportunity Zone.
- Boasting a 94/100 Walk Score, the property is zoned MU-H, supporting multifamily residential and active ground-floor commercial uses. Per AB 2097, parking requirements can be significantly reduced or removed. While the base density is 55 DU/Acre, a city-vetted concept for 76-80 residential units has been reviewed, utilizing the State Density Bonus Law and small-unit exemptions where studios/1BRs do not count against density limits.
- Physical parameters include a 2.75 base FAR and by-right heights up to 5 stories, with 0 ft front and side setbacks. This establishes a documented ceiling for high-yield urban infill. Buyer to verify all development and zoning info independently.



PROPERTY SUMMARY



LOCATION & SITE

- Address: 1024 Soquel Ave, Santa Cruz
- Corner of Soquel Ave & Cayuga St.
- Prominent, walkable, urban corridor.

PHYSICAL STATS

- Lot Size: ~0.27 acres (\approx 11,900–12,000 SF)
- Condition: Vacant land
- Existing Use: None (clean slate)

NEIGHBORHOOD: Seabright / Midtown Santa Cruz.
Strong residential + commercial demand.

GENERAL PLAN: Mixed Use High Density (MXHD)

ZONING: MU-HMixed-Use High Density

PARKING: Within half mile of major transit- AB 2097 applies to reduce/remove parking requirements. City owned parking lot across the street.

OPPORTUNITY ZONE: Located in an opportunity zone for tax advantaged development.

PARCEL MAP

FOR TAX PURPOSES ONLY

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CITY OF SANTA CRUZ

Tax Area Code
1-024 1-032

10-07

7MB25
7/13/1872
81RS10
10/24/1889
111RS18
4/2/2007

SUB. OF FRANK SMITH EST.
LOT 1 4MB21 Copy 8-1 9/29/1887
LOT 2 4MB40 Copy 8-18 2/26/1889
LOT 3 6MB2 Copy 7-2 11/30/1889
LOT 4 4MB5 Copy 7-35 1/14/1887

POLAND TRACT
(Unfiled)

**SUBJECT
PROPERTY**

Electronically transmitted 10/30/01 KSA
Revised Santa Cruz City Revised 10/30/01 KSA
Rev 12/02/02 CB (2-0000294, To at 2:75)
Rev 12/02/02 CB (1033030)
Rev 7/17/06 CB (8-0014118, LBA 2-76 to 78)
Rev 4/5/07 to (108RS17)
Rev 8/19/07 to (117RS18)

100RS27
8/29/2001

20PM45
2/27/1976

56MB29
5/2/1972

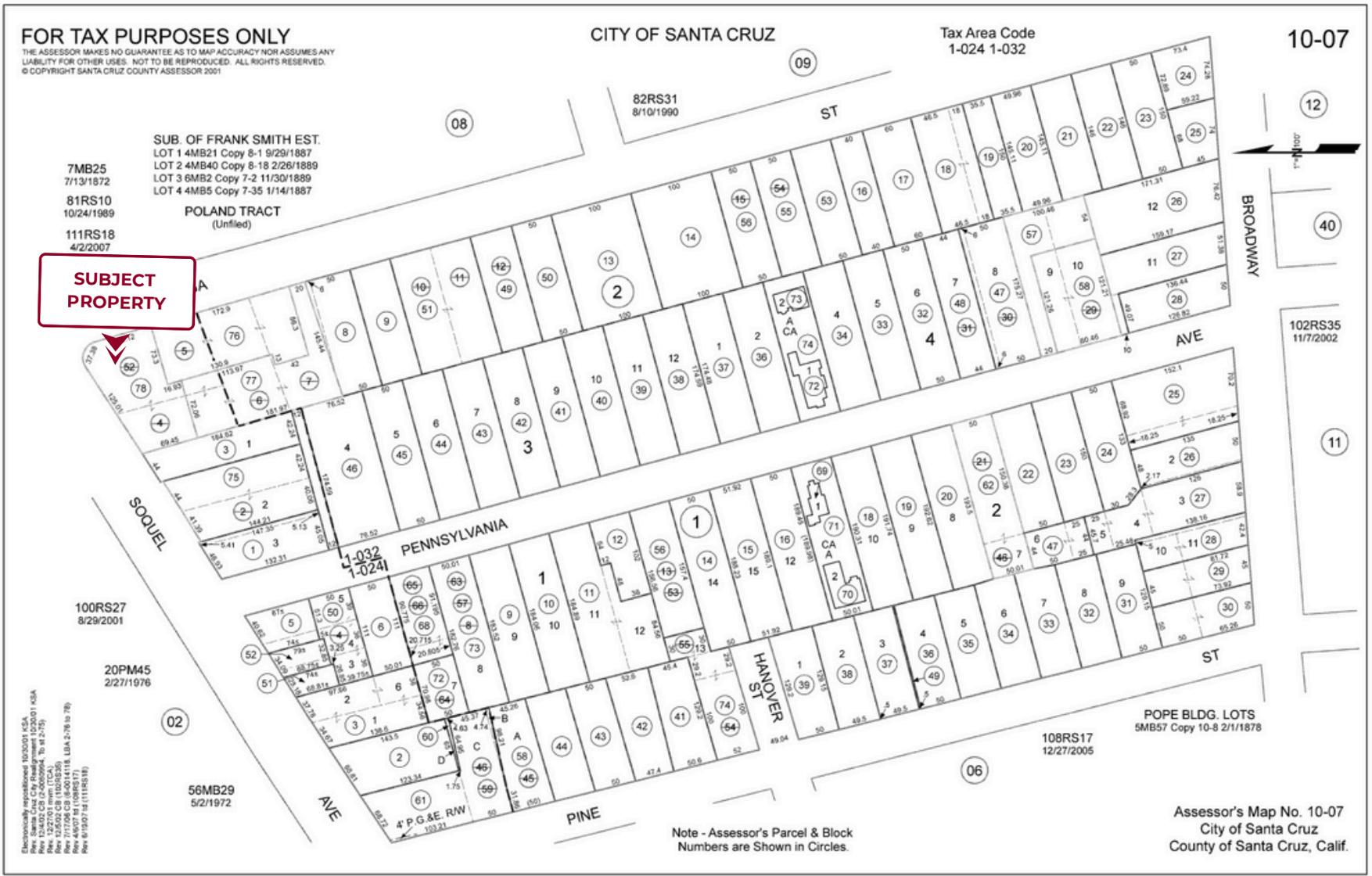
82RS31
8/10/1990

108RS17
12/27/2005

POPE BLDG. LOTS
5MB57 Copy 10-8 2/1/1878

Assessor's Map No. 10-07
City of Santa Cruz
County of Santa Cruz, Calif.

Note - Assessor's Parcel & Block
Numbers are Shown in Circles.



ZONING & USE SUMMARY

ALLOWED USE

- Multifamily residential. Mixed-use with active ground-floor commercial.
- Retail, restaurant, office, medical, personal services, gallery, etc.

BUILDING HEIGHT (BY-RIGHT)

- Up to 5 stories / ~55 ft for mixed-use + higher height allowable with density bonus.

STEPBACKS

- Front: 0 ft (urban build-to)
- Side (interior): 0 ft
- Street side: ~10 ft
- Rear: ~20 ft



Maximum Build-Out with State Density Bonus (Most Dense Options)

Key Physical Control — Floor Area Ratio (FAR):

- **Base FAR:** 2.75
- Studios and 1 bd do not count against density in MU-HD.
- Lot Size: ~11,900–12,000 SF
- **Maximum Buildable Area** at FAR **before** Density Bonus: ≈ 32,700 gross square feet (**GSF**).
- While the 55 DU/acre scenario represents the base General Plan density, the highest and best use of this parcel is achieved through State Density Bonus Law, which can substantially increase unit count beyond local caps.

DEVELOPMENT SCENARIOS

SCENARIO A

Moderate Density Bonus (10–20% of base density Affordable)

- Typical bonus range: ~20–35% additional units.
- **Estimated Units:** ~18–24 units
- **Floors:** 3-4 stories
- **Parking:** Market-driven (no minimums under AB 2097)
- **Use:** Mixed-income rental with ground-floor commercial.

SCENARIO C

SB 330 Mandated Scale High Density (Documented Pre-Application):

- Current concept reviewed by the City explores ~76–80 residential units.
- Heavy mix of studios and small 1-bedrooms enables unit stacking within the physical envelope.
- Relies on:
 - State Density Bonus Law
 - SB 330 / Housing Accountability Act protections
 - Height, setback, and parking concessions
- **Floors:** Approximately **5-6 stories.**
- **Parking:** This plan uses car stackers, but with AB2097, parking can be substantially reduced or eliminated if desired.
- **Use:** Predominantly residential with active ground-floor commercial
- **Significance:** This establishes a real, city-vetted ceiling scenario for the site, not merely a theoretical maximum. City and community have been supportive of density in this corridor.

SCENARIO B

High Density Bonus / Near-Transit Project

- Higher affordability share + multiple concessions.
- Density cap partially displaced.
- **Estimated Units:** ~25–45 units
- **Floors:** 5–6 stories with concessions.
- **Parking:** Optional / partially or fully eliminated.
- **Use:** Multi-family housing with commercial.

POSITIONING SUMMARY

- **Moderate Bonus: ~18–24 units** larger building envelope use, modest affordability share.
- **High Bonus: ~25–45 units** small-unit mix, mid-rise massing, waivers likely.
- **SB330 Mandated Density: : ~76–80 units:** documented concept on this exact site using small units + bonus waivers.

(These ranges are conceptual and subject to final architectural envelope, affordability mix, and City/State review)



What this means for the Buyer:

- The site is density-limited only in the base case.
- With density bonus and small-unit programs, unit counts in the 70–80 range have already been demonstrated as achievable in concept.
- FAR becomes a secondary control when combined with State Density Bonus waivers and compact unit layouts.

This creates a rare opportunity to choose between:

- Lower-risk, base-density development or SB 330 mandated scale urban infill density for institutional, affordable, or high-efficiency rental (or condo) developers.

81 UNIT PRO FORMA



Overview	
Purchase Price	\$2,250,000
New Construction	
Sq Ft Hard BuildCost	425
Sq Ft Soft Costs	\$75
Total Sq Ft	64,653
Total Cost Construction	\$32,326,500
Total Cost w Land All in	\$34,576,500

Rent Estimates					
	Section 8 Rent	Market Rent	Avg Sq ft	\$/sq ft Section	\$/sq ft Market
Studio	\$2,393	\$2,250	350	\$6.84	\$6.43
1 Bd	\$2,878	\$2,550	425	\$6.77	\$6.00
2Bd	\$3,786	\$4,500	845	\$4.48	\$5.33
Comm		\$3,287	1174	\$0.00	\$2.80

Workbench Style Plan (see plans)		
Unit Mix	Units	Rental Income
Studio	25	\$56,250
1 bd	45	\$114,750
2 bd	10	\$45,000
Commercial	1	\$3,287
Total Rental Income	81	\$219,287

Income and Expenses

Total Monthly Rent	\$219,287
Monthly Op Expenses	\$54,000
Monthly NOI w/o debt	\$165,287

Estimated Take Out Loan Scenario

Interest Rate	Amount	Payment	Cash Flow
5.5%	\$24,203,550	\$137,425	\$27,862
6.5%	\$24,203,550	\$152,983	\$12,304

Potential Value of Property Once Complete

Cap Rate	on Cap Rate	Profit	Price/sq ft	on Price/sq ft	Profit
4.5%	\$44,076,587	\$9,500,087	\$650	\$42,024,450	\$7,447,950
5.5%	\$36,062,662	\$1,486,162	\$775	\$50,106,075	\$15,529,575

Ongoing Income Statement>Returns Estimates

Rent Inc Yearly	3%
OpEx Inc Yearly	3%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Initial Investment										
Net Operating Income	\$1,983,446	\$2,042,950	\$2,104,238	\$2,167,365	\$2,232,386	\$2,299,358	\$2,368,339	\$2,439,389	\$2,512,571	\$2,587,948
Debt (6.5%)	\$1,835,795	\$1,835,795	\$1,835,795	\$1,835,795	\$1,835,795	\$1,835,795	\$1,835,795	\$1,835,795	\$1,835,795	\$1,835,795
Yearly Flow	\$147,652	\$207,155	\$268,443	\$331,571	\$396,592	\$463,563	\$532,544	\$603,594	\$676,776	\$752,153
Value (4.5% CAP)	\$44,076,587	\$45,398,884	\$46,760,851	\$48,163,676	\$49,608,587	\$51,096,844	\$52,629,750	\$54,208,642	\$55,834,901	\$57,509,948

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DEVELOPER TAKEAWAYS

WHY THE SITE CAN ACHIEVE 70–80 UNITS

The 55 DU/acre cap does not apply to small units

Under City Objective Standards, the density limit applies only to 2+ bedroom units, while:

- Studios
- 1-bedroom units
- SRO / flexible-density units.

Are not subject to a numerical density cap.

State Density Bonus removes or relaxes local constraints.

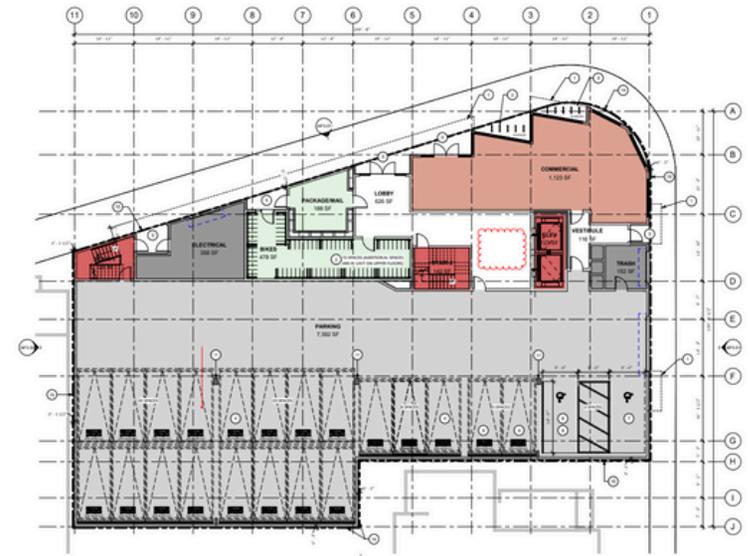
When affordability thresholds are met, developers may receive:

- Height waivers
- Setback waivers
- FAR waivers (if needed)

This enables mid-rise massing at maximum efficiency, aligning with Workbench's 76–80 unit concept.

- Buyers can underwrite multiple strategies from conservative to high-yield urban infill.
- The City has already reviewed a 76–80 unit concept, proving feasibility for large-scale development.
- Strong alignment with city's desire to develop density along Soquel Ave corridor and along with State housing mandates, approvals can be close to as of right.

Proposed Floor Plans



Main Floor/Street Level



Residential Floor Section

PRIME LOCATION MIDTOWN



1024 Soquel Ave, Santa Cruz CA 95062

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