



*Main Street Commercial Presents*

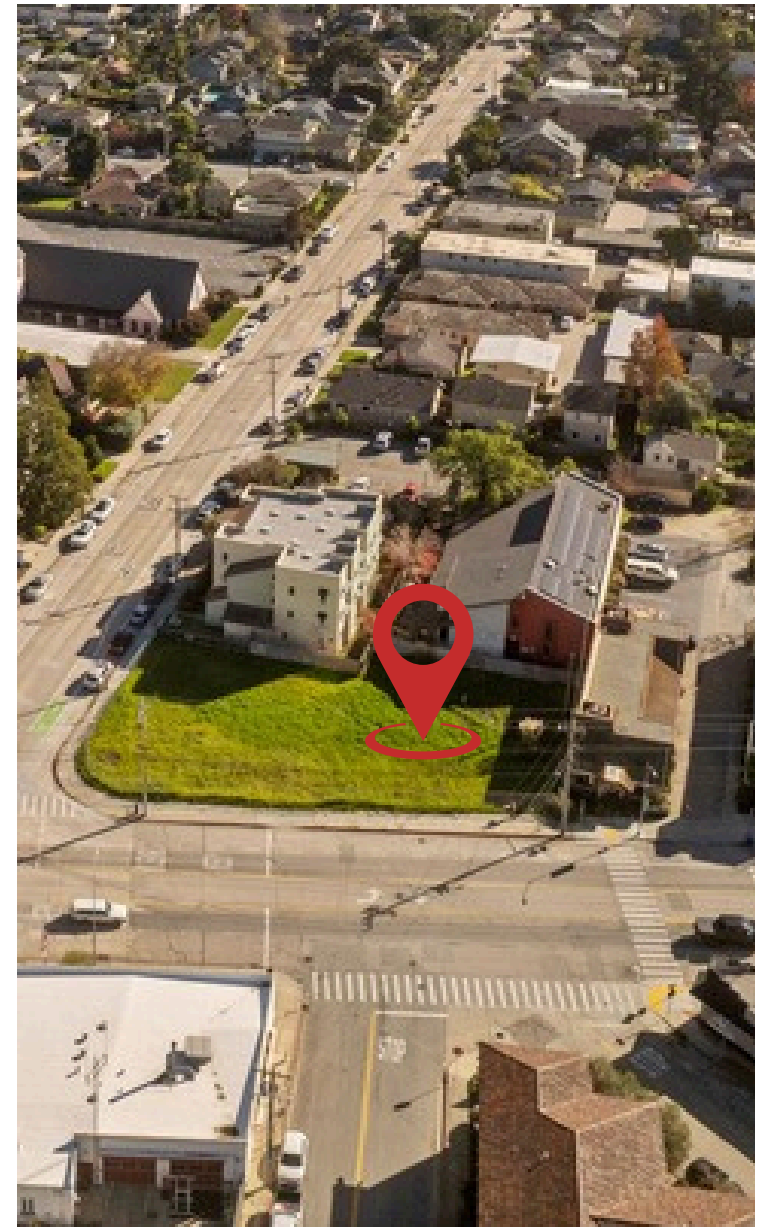
# **HIGH DENSITY DEVELOPMENT PARCEL (OPPORTUNITY ZONE)**



**1024 Soquel Ave., Santa Cruz, CA**  
**Offered for \$ \$1,995,000**

# 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 (≈ 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.

# 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.

# 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)



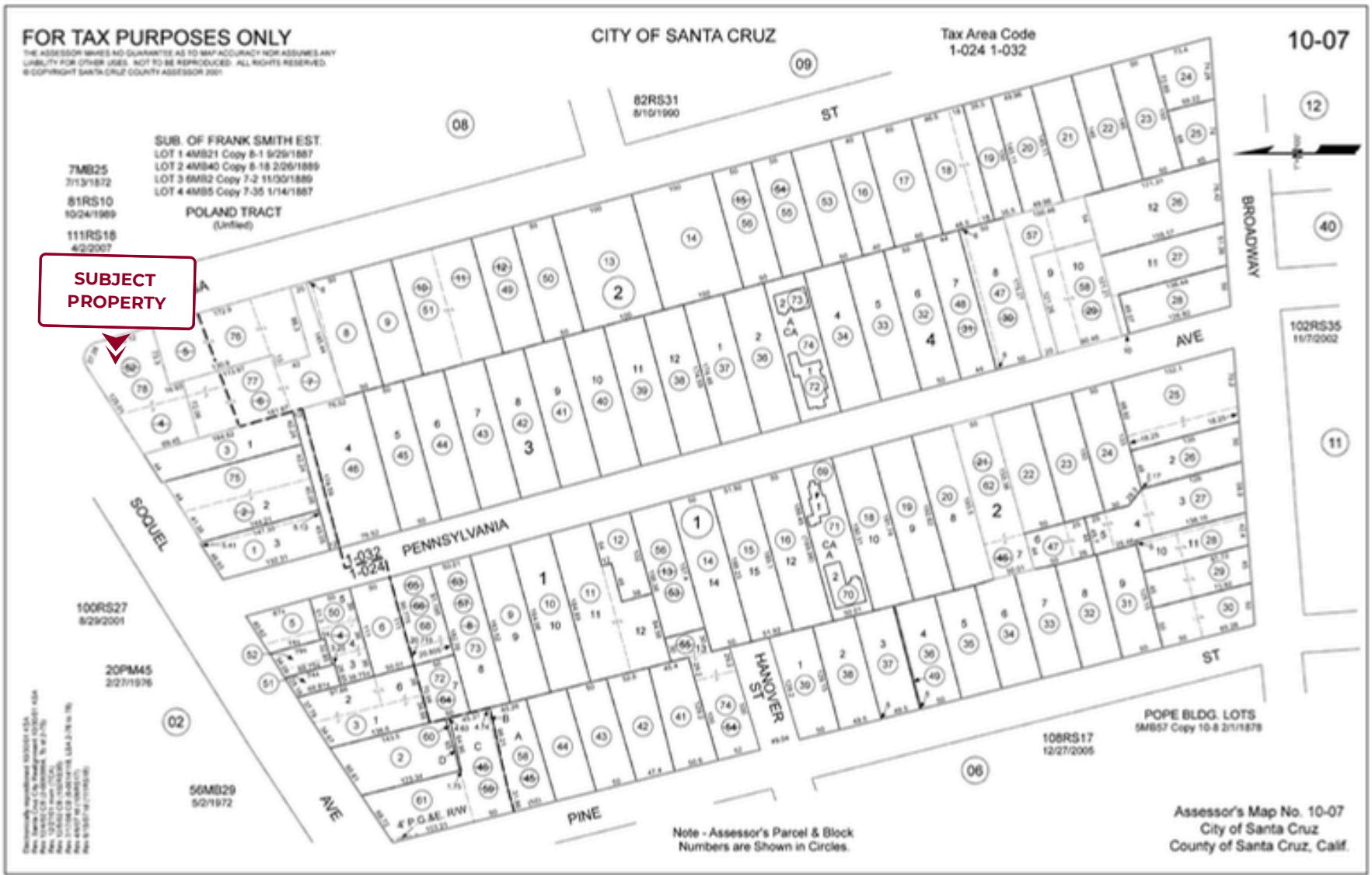
## **What this means for the Buyer:**

- 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.

# PARCEL MAP



1024 Soquel Ave, Santa Cruz CA 95062

# 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.



# 23-UNIT PRO FORMA DEVELOPMENT PLANS



# 23 UNIT PRO FORMA



## 1024 Soquel Avenue Pro Forma\*

Overview	
Purchase Price	\$1,995,000
New Construction	
Sq Ft Hard BuildCost	\$365
Sq Ft Soft Costs Total	\$75
Sq Ft Total Cost	25,687
Construction Total Cost	\$11,302,280
w Land All in	\$13,297,280

Rent Estimates	
	Section 8 Rent
Studio	\$2,393
1 Bd 2	\$2,878
Bd 3	\$3,786
Bd	\$5,100
Comm	

### Estimated Take Out Loan Scenario

Interest Rate	Amount	Payment	Cash Flow
5.5%	\$9,308,096	\$52,850	\$10,587
6.5%	\$9,308,096	\$58,833	\$4,604

Workbench Style Plan (see plans)		
Unit Mix	Studio 1	Rental Income
bd 2 bd 3 bd Com m	10	\$22,500
erc ial Total Rental	1	\$3,200
Income	10	\$45,000
	1	\$5,750
	1	\$2,321
	23	\$78,771

Income and Expenses	
Total Monthly Rent	\$78,771
Monthly Op Expenses	\$15,333
Monthly NOI w/o debt	\$63,437

### Potential Value of Property Once Complete

Cap Rate	on Cap Rate	Profit	Price/sq ft	on Price/sq ft	Profit
4.0%	\$19,031,150	\$5,733,870	\$650	\$16,696,550	\$3,399,270
5.0%	\$15,224,920	\$1,927,640	\$775	\$19,907,425	\$6,610,145

### Ongoing Income Statement>Returns Estimates

Net Inc Yearly Increase	3%
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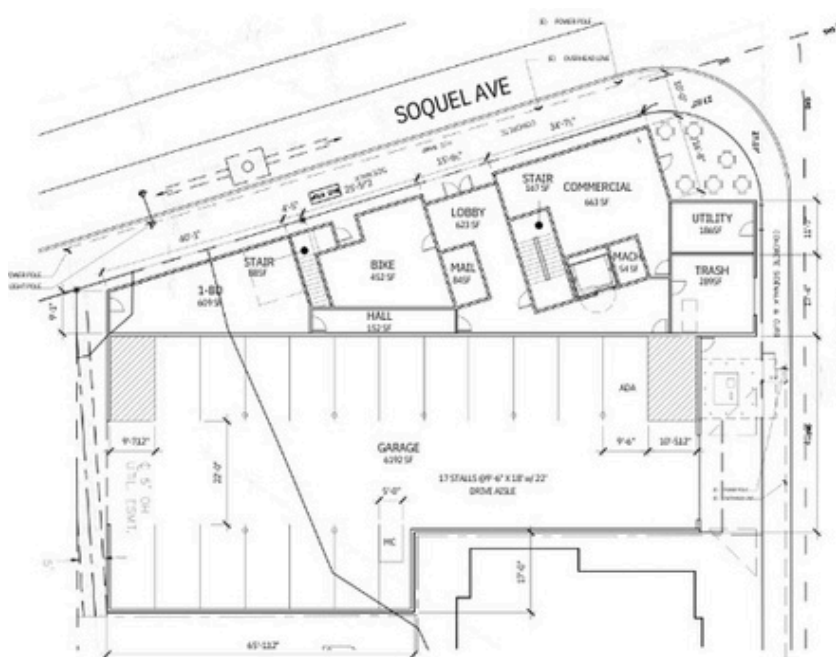
	Year 1	Year 2	Year 3	Year 4	Year 5
Initial Investment					
Net Operating Income	\$761,246	\$784,083	\$807,606	\$831,834	\$856,789
Debt (6.5%)	\$706,002	\$706,002	\$706,002	\$706,002	\$706,002
Yearly Flow	\$55,244	\$78,081	\$101,604	\$125,832	\$150,787
Value (4% CAP)	\$19,031,150	\$19,602,085	\$20,190,147	\$20,795,851	\$21,419,727

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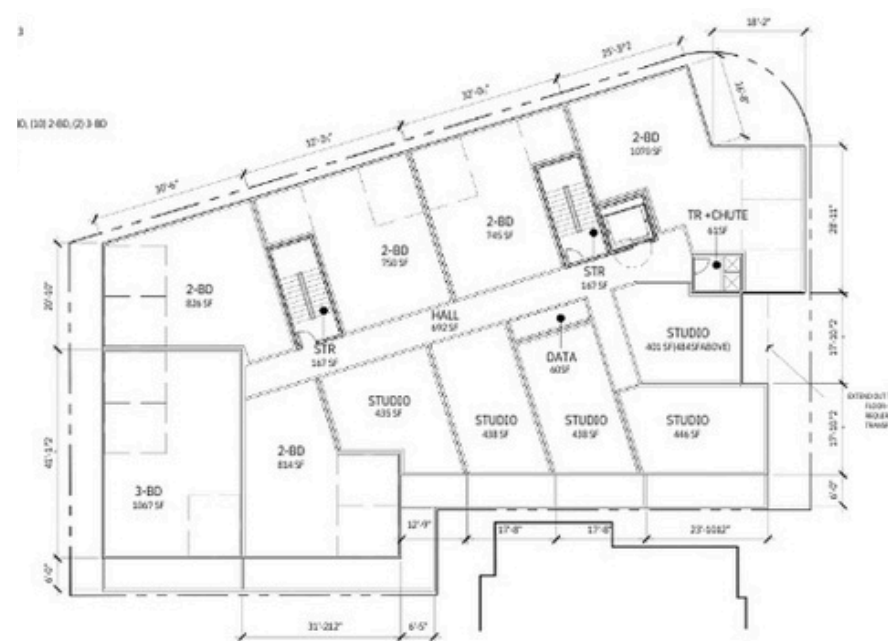
# 23 UNIT DEVELOPMENT PLAN

- For developers preferring to develop with lower density, the following scaled-down model and pro forma shows a proposed total of ( ) Units in 3 stories, in which the need for an elevator has also been eliminated to keep costs down.

## Proposed Floor Plans



**Main Floor/Street Level**



**Residential Floor Section**

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# 81 -UNIT PRO FORMA DEVELOPMENT PLANS



# 81 UNIT PRO FORMA



Overview	
Purchase Price	\$1,995,000
<b>New Construction</b>	
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
<b>Total Rental Income</b>	<b>81</b>	<b>\$219,287</b>

### 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.

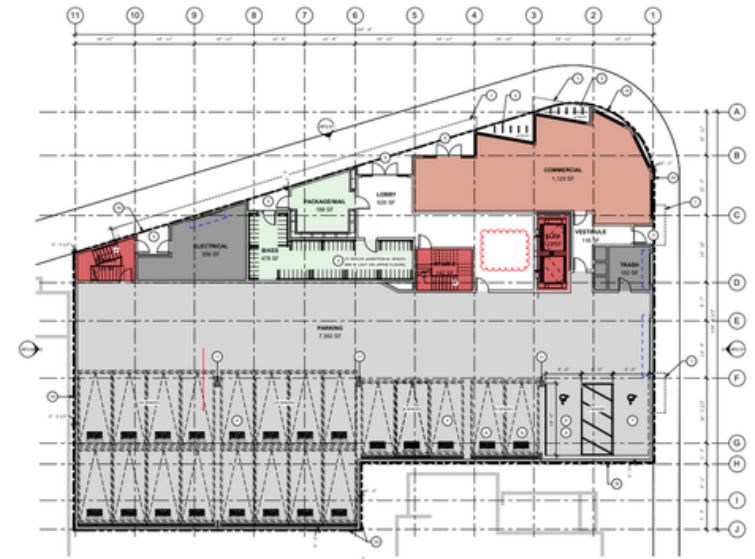
When affordability thresholds are met, developers may receive:

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

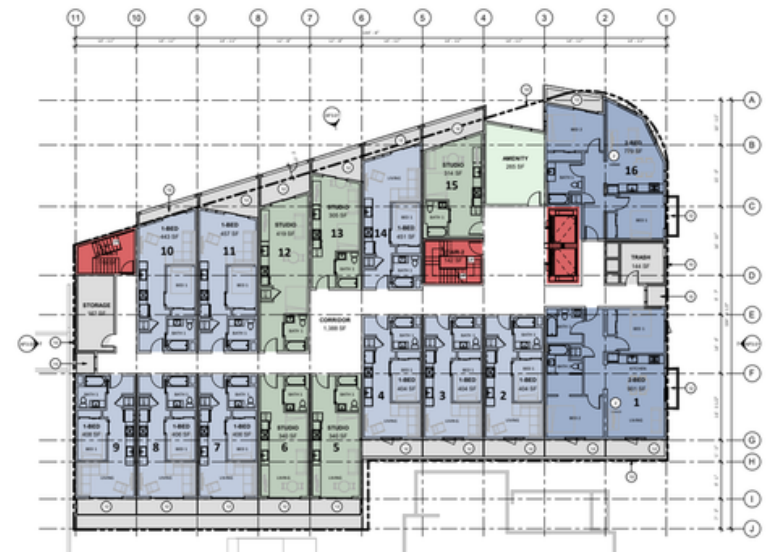
This enables mid-rise massing at maximum efficiency, aligning with Workbench's 76–80 unit concept.

- 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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1024 Soquel Ave, Santa Cruz CA 95062

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