

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 5, 2012

Advice Letter 4081-E

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Minto Housing Project Weir Installation on PG&E Property –
Request for Approval Under Section 851**

Dear Mr. Cherry:

Advice Letter 4081-E is effective September 13, 2012 per Resolution E-4541.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

July 2, 2012

Advice 4081-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Minto Housing Project Weir Installation on PG&E Property – Request for Approval Under Section 851

Purpose

Pacific Gas and Electric Company (“PG&E”) respectfully requests an order from the California Public Utilities Commission (“CPUC”) authorizing PG&E under Public Utilities Code § 851 (“Section 851”) to enter into an easement agreement (the “Agreement”) with MP Minto Associates, LP (“MP Minto”). The Agreement involves the installation of a weir, a temporary sandbag coffer dam, and a dewatering pump by MP Minto on PG&E property located in unincorporated Santa Cruz County, California. The installation of these facilities by MP Minto on PG&E property is necessary to prevent downstream impacts from storm events to a downstream wetland and riparian habitat. A copy of the Agreement is provided as **Attachments 1 and 1.B.**

Background

MP Minto has begun construction of a multi-dwelling unit complex (the “Complex”) in unincorporated Santa Cruz County, California on lands adjacent to PG&E property. CEQA review of the Complex project identified several potential environmental impacts including negative impacts to nearby wetlands from increased flows to County Stream 489 (“Stream 489”). Runoff from the Complex would flow into Stream 489 and through a nearby 30-inch culvert that passes under Minto Road. The existing flows to the culvert travel at 40 cubic feet per second (“cfs”), while the existing culvert can only accommodate 37.5 cfs. It is expected that the Complex, once completed, will increase flows to the culvert during storm events. To accommodate the increased flows through the existing culvert, MP Minto will replace the existing 30-inch diameter corrugated metal culvert with an upsized culvert that can accommodate 5-year storm event flows. As part of the mitigation plan, MP Minto is required to install a weir on property owned by PG&E. The weir will regulate the flow of runoff from the Complex to Stream 489, such that the flows at the culvert will not exceed the 5-year storm flow threshold. MP Minto will also install a temporary sandbag coffer dam and a dewatering pump to bypass any upstream flow around the culvert during the culvert replacement period.

In accordance with Resolution ALJ-244, Appendix A, Section IV, PG&E provides the following information related to the proposed transaction:

(1) Identity and Addresses of All Parties to the Proposed Transaction:

Pacific Gas and Electric Company	MP Minto Associates, LP
Ann H. Kim	Elizabeth "Betsy" Nahas Wilson
Law Department	77 Aspen Way, #103
P.O. Box 7442	Watsonville, CA 95076
San Francisco, CA 94120	Telephone: (831) 707-2134
Telephone: (415) 973-7467	E-mail: ewilson@midpen-housing.org
Facsimile: (415) 973-5520	
Email: AHK4@pge.com	

(2) Complete Description of the Property Including Present Location, Condition and Use:

The property is located on the north side of Minto Road, east of Meidl Avenue in unincorporated Santa Cruz County, California, on land that is crossed by a natural drainage and sparsely populated by shrubs. The parcel State Board of Equalization Number is 135-44-19-2 and the Assessor's Parcel Number is 051-091-03-000. An aerial photo of the easement area is provided in **Attachment 2**.

(3) Intended Use of the Property:

MP Minto intends to install a weir in the easement area. The weir will regulate the flow of runoff from the Complex to Stream 489, such that the flows at the downstream culvert will not exceed the 5-year storm flow threshold. MP Minto will also install a temporary sandbag coffer dam and a dewatering pump on the Property to bypass any upstream flow around the culvert during construction of the new culvert.

(4) Complete Description of Financial Terms of the Proposed Transaction:

MP Minto will pay a one-time easement fee of one thousand six hundred dollars (\$1,600).

(5) Description of How Financial Proceeds of the Transaction Will Be Distributed:

The property at issue in this Advice Letter is non-depreciable land used for electric transmission service and is currently included in PG&E's rate base. The PG&E electric transmission system is within the control of the California Independent System Operator Corporation and is subject to Federal Energy Regulatory Commission ("FERC") jurisdiction for ratemaking. All costs for

PG&E's electric transmission system is now part of FERC ratemaking for transmission service in PG&E's transmission owner cases. In consideration for the easement exchange, the Grantee has agreed to pay PG&E a total fee of \$1,600 for the easement. The \$1,600 will be recorded as Electric Other Operating Revenue.

(6) Statement on the Impact of the Transaction on Ratebase and Any Effect on the Ability of the Utility to Serve Customers and the Public:

The easement agreement will not impact PG&E's rate base as no PG&E assets are being disposed of with this transaction. Entering into this easement agreement will not interfere with PG&E's ability to provide safe and reliable service to its customers and the public at large.

(7) The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property and Depreciable Assets, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):

Not Applicable

(8) The Fair Market Rental Value for Leases of Real Property, and a Detailed Description of How the Fair Market Rental Value Was Determined:

Not Applicable

(9) For Fair Market Rental Value of the Easement or Right-of-Way and a Detailed Description of How the Fair Market Rental Value Was Determined:

The fair market value for the proposed easement was determined by an appraisal, details of which are provided in **Attachment 3**.

(10) A Complete Description of any Recent Past (Within the Prior Two Years) or Anticipated Future Transactions that May Appear To Be Related to the Present Transaction¹:

PG&E is unaware of any recent-past or anticipated-future transactions that may appear to be related to the present transaction.

¹ During adoption of the Advice Letter pilot program in ALJ-186 (later followed by ALJ-202 and ALJ-244), this category of information was included to enable the CPUC to ensure that utilities were not seeking to circumvent the \$5 million Advice Letter threshold by dividing what is a single asset with a value of more than \$5 million into component parts each valued at less than \$5 million, which is clearly not the case here. (See CPUC Resolution ALJ-186, issued August 25, 2005, mimeo, p.5.)

(11) Sufficient Information and Documentation (Including Environmental Review Information) to Indicate that All Criteria Set Forth in Section II of Resolution ALJ-244 Are Satisfied:

PG&E has provided information in this Advice Letter to satisfy the eligibility criteria under Resolution ALJ-244 in that:

- The activity proposed in the transaction will not require environmental review by the CPUC as a Lead Agency;
- The transaction will not have an adverse effect on the public interest or on the ability of PG&E to provide safe and reliable service to its customers at reasonable rates;
- The transaction will not materially impact the ratebase of PG&E; and
- The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

(12) Additional Information to Assist in the Review of the Advice Letter:

No information is readily available other than what has already been included within this advice letter filing.

(13) Environmental Information

Pursuant to ALJ-244, the Advice Letter program applies to proposed transactions that will not require environmental review by the CPUC as a lead agency under CEQA either because: (a) a statutory or categorical exemption applies (the applicant must provide a notice of exemption from the Lead Agency or explain by an exemption applies), or (b) because the transaction is not a project under CEQA (the applicant must explain the reasons why it believes that the transaction is not a project), or (c) because another public agency, acting as the Lead Agency under CEQA, has completed environmental review of the project, and the Commission is required to perform environmental review of the project only as a Responsible Agency under CEQA.

a. Exemption

- i. Has the proposed transaction been found exempt from CEQA by a government agency?
 1. If yes, please attach notice of exemption. Please provide name of agency, date of Notice of Exemption, and State Clearinghouse number.

Not Applicable

2. If no, does the applicant contend that the project is exempt from CEQA? If yes, please identify the specific CEQA exemption or

exemptions that apply to the transaction, citing to the applicable State CEQA Guideline(s) and/or Statute(s).

Not Applicable

b. Not a "Project" Under CEQA

- i. If the transaction is not a "project" under CEQA, please explain why.

Not Applicable

c. CPUC as a Responsible Agency under CEQA

- i. If another public agency, acting as the Lead Agency under CEQA, has completed an environmental review of the project and has approved the final CEQA documents, and the Commission is a Responsible Agency under CEQA, the applicant shall provide the following.

1. The name, address, and phone number of the Lead Agency, the type of CEQA document that was prepared (Environmental Impact Report, Negative Declaration, Mitigated Negative Declaration), the date on which the Lead Agency approved the CEQA document, the date on which a Notice of Determination was filed.

Lead Agency Information	Lead Agency: County of Santa Cruz Planning Department Address: 701 Ocean Street, 4 th Floor, Santa Cruz, CA 95060 Phone Number: (831) 454-2580
CEQA Document	Mitigated Negative Declaration ("MND")
Date Approved by Lead Agency	June 10, 2008
Date Notice of Determination Filed	August 6, 2010

2. A copy of all CEQA documents prepared by or for the Lead Agency regarding the project and the Lead Agency's resolution or other document approving the CEQA documents.

Copies of the Draft and Final MND are provided in **Attachments 4 and 5**, respectively. A copy of the

Mitigation and Monitoring Plan is provided in **Attachment 6**.

3. A list of section and page numbers for the environmental impacts, mitigation measures, and findings in the prior CEQA documents that relate to the approval sought from the Commission.

Environmental Impacts	Draft MND (Attachment 4) Pages 18-56
Mitigation Measures	Draft MND (Attachment 5) Pages 3-7
Findings	Draft MND (Attachment 4) Page 57

4. An explanation of any aspect of the project or its environmental setting which has changed since the issuance of the prior CEQA document.

PG&E is currently unaware of any aspect of the project or its environmental setting which have changed since the issuance of the MND.

5. A statement of whether the project will require approval by additional public agencies other than the Commission and the Lead Agency, and, if so, the name and address of each agency and the type of approval required.

According to the draft MND, the project will require the approval of 4 additional public agencies. The name, address and required approval are provided in the table immediately below.

Agency	Address	Approval Type
California Department of Fish and Game	7329 Silverado Trail Napa, CA 94558	Section 1602 Streambed Alteration Agreement
U.S. Army Corps of Engineers	1455 Market Street #16 San Francisco, CA 94102	Section 404 Nationwide Permit
Regional Water Quality Control Board	895 Aerovista Place Suite 101 San Luis Obispo, CA 93401	Section 401 Water Quality Certification

Agency	Address	Approval Type
City of Watsonville, Department of Public Works	320 harvest Drive Watsonville, CA 95076	Water Supply

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail by facsimile or electronically, any of which must be received no later than **July 23, 2012**, which is 21 days² after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Pacific Gas and Electric Company
Attention: Brian K. Cherry
Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

² The 20 day protest period concludes on a holiday. PG&E hereby moves this date to the following business day, consistent with the provisions in G.O. 96-B, Section 1.5.

Pursuant to the review process outlined in Resolution ALJ-244, PG&E requests that this Tier 3 advice filing become effective by Commission Resolution. PG&E requests an effective date of August 2, 2012. **If no protests are received during the protest period, PG&E requests that the comment period for the Resolution be waived and the Commission vote on a Resolution at its August 2, 2012, Business Meeting.**

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and Appendix A. Address change requests and electronic approvals should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.

Handwritten signature of Brian Cherry in cursive script.

Vice President - Regulatory Relations

Attachments

- Attachment 1 – Easement Agreement
- Attachment 1.B – Easement Agreement, Exhibit B
- Attachment 2 – Easement Area Photo
- Attachment 3 – Easement Appraisal
- Attachment 4 – Draft Mitigated Negative Declaration
- Attachment 5 – Final Mitigation Negative Declaration and Notice of Determination
- Attachment 6 – Mitigation and Monitoring Plan

***** SERVICE LIST Advice 4081-E *****
APPENDIX A

Karen Clopton
 Administrative Law Judge Division
 505 Van Ness Avenue
 San Francisco, CA 94102
 (415) 703-2008
 kvc@cpuc.ca.gov

Myra J. Prestidge
 Administrative Law Judge Division
 505 Van Ness Avenue
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 tom@cpuc.ca.gov

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 505 Van Ness Avenue
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Edward Randolph
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Brewster Fong
 Division of Ratepayer Advocates
 505 Van Ness Avenue
 San Francisco, CA 94102
 (415) 703- 2187
 bfs@cpuc.ca.gov

Andrew Barnsdale
 Energy Division
 505 Van Ness Avenue
 San Francisco, CA 94102
 (415) 703-3221
 bca@cpuc.ca.gov

***** AGENCIES *****

County of Santa Cruz, Department of Planning
 Kathleen Molloy Previsich, Planning Director
 701 Ocean Street, 4th Floor
 Santa Cruz, CA 95060
 (831) 454-2580
 Pln001@co.santa-cruz.ca.us

***** 3rd Party *****

MP Minto Associates, LP
 Elizabeth "Betsy" Nahas Wilson
 77 Aspen Way, #103
 Watsonville, CA 95076
 Telephone: 831-707-2134
 E-mail: ewilson@midpen-housing.org

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 E)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Shirley Wong

Phone #: (415) 972-5505

E-mail: slwb@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4081-E

Tier: 3

Subject of AL: Minto Housing Project Weir Installation on PG&E Property – Request for Approval Under Section 851

Keywords (choose from CPUC listing): Agreements, Transmission Lines

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: August 2, 2012

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed:

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

Advice 4081-E
July 2, 2012

Attachment 1
Easement Agreement

LD 2211-02-1419
Drainage Easement, Green Valley Substation
RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
356 East Alisal Street
Salinas, CA 93901
Attention: Land Agent

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____
 Computed on Full Value of Property Conveyed, or
 Computed on Full Value Less Liens &
Encumbrances Remaining at Time of Sale]

Signature of declarant or agent determining tax

(A portion of APN SBE 135-44-19-2)

**EASEMENT AGREEMENT
(Drainage Easement)**

This Easement Agreement (“**Agreement**”) is made and entered into this _____ day of _____, 201__ (the “**Effective Date**”) by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called “**PG&E**”, and MP MINTO ASSOCIATES, LP, a California Limited Partnership, hereinafter called “**Grantee.**”

RECITALS

A. PG&E owns certain real property within the County of Santa Cruz, State of California, commonly known as SBE No. 135-44-19-2 and more particularly described in **Exhibit A**, attached hereto and made a part hereof (hereinafter, the “**Property**”).

B. Grantee is the owner of certain real property (the “**Benefitted Property**”) within the County of Santa Cruz, State of California, commonly known as Assessor’s Parcel Number 051-511-35 and more particularly described in **Exhibit D**, attached hereto and made a part hereof.

C. PG&E is willing to grant such easement(s) on the terms and subject to the conditions set forth herein.

Now, therefore, in consideration of Grantee's agreement to pay the sum of Sixteen Hundred Dollars \$1,600, for good and valuable consideration, PG&E and Grantee agree as follows:

1. Grant of Easement(s): PG&E hereby grants to Grantee, upon the terms and conditions set forth in this Agreement, the following easement(s):

(a) Drainage Easement. A non-exclusive easement to excavate, install, construct, reconstruct, repair, maintain and the use of a concrete weir and a detention pond, and for open-channel drainage of water from Grantee's adjacent property, within and over the portion of the Property (the "**Easement Area**") described in **Exhibit B** attached hereto and made a part hereof.

(b) Ingress and Egress. A non-exclusive right of surface access, ingress and egress to and from Grantee's facilities within the Easement Area, over and across the portion of the Property (the "**Easement Area**") described and shown in **Exhibit B**, attached hereto and incorporated by this reference.

2. Limitations on Use.

(a) The Easement Area, and any facilities permitted to be constructed thereon, are to be used by Grantee only for those uses permitted in Section 1 above, and for no other purpose.

(b) PG&E reserves the right to restrict access to the Easement Area or any portion or portions thereof in the event of fire, earthquake, storm, riot, civil disturbance, or other casualty or emergency, or in connection with PG&E's response thereto, or if emergency repairs or maintenance are required to PG&E facilities within or in the vicinity of the Easement Area, or otherwise when PG&E deems it advisable to do so, including in connection with events and emergencies occurring or affecting PG&E's business operations located elsewhere than in the immediate vicinity of the Property.

(c) Grantee shall not erect or construct any buildings or other structures within the Easement Area, except for those described under 1(a) above.

3. Condition of Easement Area. Grantee accepts the Easement Area in its existing physical condition, without warranty by PG&E or any duty or obligation on the part of PG&E to maintain the Easement Area. Grantee acknowledges that one or more of the following (collectively, "**Potential Environmental Hazards**") may be located in, on or underlying the Property and/or the Easement Area:

(a) electric fields, magnetic fields, electromagnetic fields, electromagnetic radiation, power frequency fields, and extremely low frequency fields, however designated, and whether emitted by electric transmission lines, other distribution equipment or otherwise ("**EMFs**");

(b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term "**Hazardous Substances**" means any hazardous or toxic material or waste which is or

becomes regulated by Legal Requirements (as hereinafter defined) relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substance:

(1) now or hereafter defined as a “hazardous substance,” “hazardous waste,” “hazardous material,” “extremely hazardous waste,” “restricted hazardous waste” or “toxic substance” or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 et seq.; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 et seq.; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 et seq.; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); and the Medical Waste Management Act (Health and Safety Code §§25015 et seq.); or

(2) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by the United States, the State of California, any local governmental authority or any political subdivision thereof, or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(3) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons on or about the Property or to the environment; or

(4) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(5) which contains lead-based paint or other lead contamination, polychlorinated biphenyls (“PCBs”) or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(6) which contains radon gas;

(c) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; and

(d) other potentially hazardous substances, materials, products or conditions.

Grantee shall be solely responsible for the health and safety of, and shall take all necessary precautions to protect, its employees, contractors, consultants, agents and invitees (“**Grantee’s Representatives**”) from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for the uses permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.

4. Grantee’s Covenants. Grantee hereby covenants and agrees:

(a) Construction of Improvements. Grantee agrees to construct and install, at no cost to PG&E, such facilities and improvements (“**Improvements**”) as may be necessary and appropriate for Grantee’s permitted use, as specified in Section 1. All such construction shall be performed in accordance with detailed plans and specifications (“**Plans**”) previously approved by PG&E, and shall comply with all Legal Requirements. Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee’s sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with any and all applicable requirements of the National Environmental Policy Act (“**NEPA**”) and the California Environmental Quality Act (“**CEQA**”) and satisfying, at Grantee’s sole expense, any and all mitigation measures under CEQA that may apply to Grantee’s proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee’s proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E or the Property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E or the Property, or impose limitations on PG&E’s ability to use the Property as specified in Section 7, then PG&E shall have the right, without liability to Grantee, to give notice of termination of this Agreement to Grantee, whereupon this Agreement and the rights granted to Grantee shall terminate and revert in PG&E, unless within ten (10) days following delivery of such notice, Grantee gives notice to PG&E by which Grantee agrees to modify its proposed Project (as that term is defined under CEQA) so as to eliminate the necessity for such mitigation measures. In the event of such termination, PG&E and Grantee shall each be released from all obligations under this Agreement, except those which expressly survive termination. Grantee acknowledges and agrees that PG&E’s review of Grantee’s Plans is solely for the purpose of protecting PG&E’s interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the Improvements contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements. Grantee shall not commence construction or installation of any Improvements without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, and the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, “**CPUC**”);

(b) Compliance with Laws. Grantee shall, at its sole cost and expense, promptly comply with (a) all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, those relating to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances, as defined herein, or to health, safety, noise, environmental protection, air quality or water quality; (b) the conditions of any permit, occupancy certificate,

license or other approval issued by public officers relating to Grantee's use or occupancy of the Easement Area; and (c) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) of record, or of which Grantee has notice, which may be applicable to the Easement Area (collectively, "**Legal Requirements**"), regardless of when they become effective, insofar as they relate to the use or occupancy of the Easement Area by Grantee. Grantee shall furnish satisfactory evidence of such compliance upon request by PG&E. The judgment of any court of competent jurisdiction, or the admission of Grantee in any action or proceeding against Grantee, whether or not PG&E is a party in such action or proceeding, that Grantee has violated any Legal Requirement relating to the use or occupancy of the Easement Area, shall be conclusive of that fact as between PG&E and Grantee.

(c) Notice of Enforcement Proceedings. Grantee agrees to notify PG&E in writing within three (3) business days of any investigation, order or enforcement proceeding which in any way relates to the Property, or to any contamination or suspected contamination on, within or underlying the Property. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;

(d) Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use of the Property by PG&E and other entitled persons. Interference shall include, but not be limited to, any activity by Grantee that places any of PG&E's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112 (Gas), and 128 (Underground Electric) of the CPUC or to any other Legal Requirements under which the operations of utility facilities are controlled or regulated. Grantee shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of PG&E's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety; which minimum clearances are incorporated herein by reference; but in no event closer than ten (10) feet to any energized electric conductors or appliances. Grantee shall not drill, bore, or excavate within thirty (30) feet of any of PG&E's underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits. Grantee shall provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;

(e) Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the Property, PG&E's utility facilities, the environment and human health and safety. Grantee shall not cause or permit any Hazardous Substances, as defined herein, to be brought upon, produced, stored, used, discharged or disposed of on, or in the vicinity of the Property, except in compliance with all applicable Legal Requirements. Grantee shall be responsible for the cost of remediating any discharge or release of Hazardous Substances resulting from or arising in connection with Grantee's use of the Property, and shall immediately notify PG&E and the appropriate regulatory authorities where required by law, of any such release. If PG&E determines that Grantee's activities in any way endanger the Property, PG&E's utility facilities, the environment, or human health and safety, PG&E may, in PG&E's sole and absolute discretion, require that Grantee halt such activities until appropriate protective measures are taken to PG&E's satisfaction. Grantee

shall hold PG&E harmless from any claims resulting from any delay under this paragraph. PG&E's right to halt activities under this paragraph shall not in any way affect or alter Grantee's insurance or indemnity obligations under this Agreement, nor shall it relieve Grantee from any of its obligations hereunder that pertain to health, safety, or the protection of the environment;

(f) Maintenance. Grantee agrees to maintain its facilities and Improvements in good condition and repair, and be responsible for the security of, the facilities installed hereunder;

(g) Repairing Damage. Grantee agrees to repair any damage it may cause to PG&E's facilities and improvements in or around said Easement Area;

(h) Coordination. Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference and inconvenience with the use by PG&E of the Easement Area and PG&E's adjoining lands.

(i) PG&E Right to Cure. Grantee agrees that if Grantee fails to perform any act or other obligation on its part to be performed hereunder, and such failure is not remedied within fifteen (15) days following notice from PG&E (or in the case of an emergency, following such notice, if any, as may be reasonably practicable under the existing circumstances), PG&E may (but without obligation to do so, and without waiving or releasing Grantee from any of its obligations) perform any such act or satisfy such obligation, or otherwise remedy such emergency or such failure on the part of Grantee. All costs incurred by PG&E in responding to or remedying such failure by Grantee shall be payable by Grantee to PG&E on demand.

5. Indemnification; Release.

(a) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless PG&E, its parent corporation, subsidiaries and affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (each, an "**Indemnitee**" and collectively, "**Indemnitees**") from and against all claims, losses (including, but not limited to, diminution in value), actions, demands, damages, costs, expenses (including, but not limited to, experts fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "**Claims**"), including Claims arising from the passive or active negligence of the Indemnitees, which arise from or are in any way connected with the occupancy or use of the Easement Area by Grantee or Grantee's Representatives, or the exercise by Grantee of its rights hereunder, or the performance of, or failure to perform, Grantee's duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of PG&E or Grantee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Property); (2) injury to property or other interest of PG&E, Grantee or any third party; (3) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to human health or the environment, and including any liability which may be imposed by law or regulation without regard to fault; excepting only with respect to any Indemnitee, to the extent of any Claim arising from the sole negligence or willful misconduct of such Indemnitee. Without limiting the generality of the foregoing, Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless from and against Claims arising out of or in connection with any work of improvement constructed

or installed at or on, labor performed on, or materials delivered to, or incorporated in any improvements constructed on, the Easement Area by, or at the request or for the benefit of, Grantee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Grantee is obligated to indemnify or provide a defense hereunder, Grantee upon written notice from PG&E shall defend such action or proceeding at Grantee's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Grantee acknowledges that all Claims arising out of or in any way connected with releases or discharges of any Hazardous Substance, or the exacerbation of a Potential Environmental Hazard, occurring as a result of or in connection with Grantee's use or occupancy of the Easement Area or the surrounding Property, or any of the activities of Grantee and Grantee's Representatives, and all costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements and any fines and penalties imposed for the violation of Legal Requirements relating to the environment or human health, are expressly within the scope of the indemnity set forth above.

(c) Grantee's use of the Property shall be at its sole risk and expense. Grantee accepts all risk relating to its occupancy and use of the Easement Area. PG&E shall not be liable to Grantee for, and Grantee hereby waives and releases PG&E and the other Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the Easement Area, the condition of Easement Area, or the use or occupancy of the Easement Area.

(d) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including, but not limited to, attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in **Exhibit C**, attached hereto and made a part hereof. If Grantee fails to so indemnify, protect, defend or hold harmless any Indemnitee, then at PG&E's option, this Agreement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E, if such failure continues for five (5) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.

(e) The provisions of this Section 5 shall survive the termination of this Agreement.

6. Additional Facilities. Grantee shall not install any additional facilities or improvements in, on, under or over the Easement Area without the prior written consent of PG&E, which consent may be granted or withheld in PG&E's sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of the CPUC. Grantee shall submit plans for installation of any proposed additional facilities within the Easement Area to PG&E for its written approval at the address specified in Section 11.

7. Reserved Rights. PG&E reserves the right to use the Easement Area for any and all purposes which will not unreasonably interfere with Grantee's facilities. Without limiting the generality of the foregoing:

(a) Grantee acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others, and the use of the word "grant" in this Agreement shall not be construed as a warranty or covenant by PG&E that there are no such other rights.

(b) Grantee shall not make use of the Easement Area in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Area, the Property, or PG&E's adjacent property, by PG&E or others entitled to use such property.

(c) This grant is made subject to all applicable provisions of General Order No. 95 (Overhead Electric), General Order 112 (Gas) and General Order No. 128 (Underground Electric) of the CPUC, in like manner as though said provisions were set forth herein.

8. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Grantee shall not commence construction or other activities hereunder, unless and until the CPUC approves this Agreement and the easements granted and other transactions contemplated hereby (including the adequacy of the compensation to be paid by Grantee), by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC). Grantee further acknowledges and agrees that PG&E makes no representation or warranty regarding the prospects for CPUC approval, and Grantee hereby waives all Claims against PG&E which may arise out of the need for such CPUC approval or the failure of the CPUC to grant such approval. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in **Advice Letter** _____, in like manner as though said provisions were set forth in full herein.

9. Compliance; Insurance. PG&E shall have a right to access and inspect the Easement Area at any time to confirm Grantee's compliance with Legal Requirements and the provisions of this Agreement. Prior to the Effective Date of this Agreement, Grantee shall procure, and thereafter Grantee shall carry and maintain in effect at all times during the term of the Agreement, with respect to the Easement Area and the use, occupancy and activities of Grantee, its employees and agents on or about the Easement Area, the insurance specified in **Exhibit C**, attached hereto and made a part hereof by this reference, provided that PG&E reserves the right to review and modify from time to time the coverages and limits of coverage required hereunder, as well as the deductibles and/or self-insurance retentions in effect from time to time (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). Prior to Grantee's entry on the Property, and thereafter thirty (30) days prior to the expiration date of any policy, Grantee shall provide PG&E with evidence of the insurance coverage, or continuing coverage, as required by this Agreement. All insurance required under this Agreement shall be effected under valid, enforceable policies issued by insurers of recognized responsibility, as reasonably determined by PG&E, and shall be written on forms and with insurance carriers acceptable to PG&E. Grantee is also

responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times (provided, however, that Grantee, in the exercise of its reasonable judgment, may permit contractors and subcontractors to maintain coverages and limits lower than those required of Grantee, provided the coverages and limits required by Grantee are commercially reasonable in light of applicable circumstances). Any policy of liability insurance required to be maintained hereunder by Grantee may be maintained under a so-called "blanket policy" insuring other locations and/or other persons, so long as PG&E is specifically named as an additional insured under such policy and the coverages and amounts of insurance required to be provided hereunder are not thereby impaired or diminished. In addition, liability insurance coverages may be provided under single policies for the full limits, or by a combination of underlying policies with the balance provided by excess or umbrella liability insurance policies.

10. Mechanics' Liens. Grantee shall keep the Property free and clear of all mechanics', material suppliers' or similar liens, or claims thereof, arising or alleged to arise in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Grantee or at its request or for its benefit. If any mechanics' liens are placed on the Property in connection with the activities or facilities set forth in this Agreement, Grantee shall promptly cause such liens to be released and removed from title, either by payment or by recording a lien release bond in the manner specified in California Civil Code Section 3143 or any successor statute.

11. Notice. Any notices or communications hereunder shall be in writing and shall be personally delivered or sent by first class mail, certified or registered, postage prepaid, or sent by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at its address or addresses listed below, or to such other address or addresses for a party as such party may from time to time designate by notice given to the other party. Notices shall be deemed received upon actual receipt by the party being sent the notice, or on the following business day if sent by overnight courier, or on the expiration of three (3) business days after the date of mailing.

If to PG&E:

Pacific Gas and Electric Company
Attention: Dennis Ben
356 East Alisal Street
Salinas, CA 93901

With a copy to:

If by registered or certified mail, return receipt requested:

Pacific Gas and Electric Company

P.O. Box 7442
San Francisco, CA 94120
Attention: Wendy T. Coleman, Esq.
Phone No. (415) 973-6067

If by personal delivery or overnight courier:

Law Department
Pacific Gas and Electric Company
77 Beale Street, Mail Code B3OA
San Francisco, California 94120
Attention: Director & Counsel, Contracts Section (Real Estate)
Telephone: (415) 973-4377
Facsimile: (415) 973-5520

If to Grantee:

MP Minto Associates, L.P.
c/o MidPen Housing Corporation
303 Vintage Park Dr., Suite 250
Foster City, CA 94404
Attention: Asset Management

With a copy to:

Shapiro Knolls Apts.
33 Minto Road
Watsonville, CA 95076
Attention: Property Manager

12. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

13. Entire Agreement. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by both parties.

14. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and

their respective heirs, successors and assigns. No assignment or delegation by Grantee, whether by operation of law or otherwise, shall relieve Grantee of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of PG&E hereunder shall run with the land.

15. Assignment. This Agreement and the rights of Grantee hereunder are appurtenant to the Benefitted Property, and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

16. Attorneys' Fees. Should either party bring an action against the other party, by reason of or alleging the failure of the other party with respect to any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees (of both in-house and outside counsel) and expenses related to such action, in addition to all other recovery or relief. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. Attorneys' fees shall include, without limitation, fees incurred in discovery, contempt proceedings and bankruptcy litigation, and in any appellate proceeding. The non-prevailing party shall also pay the attorney's fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Agreement. For purposes hereof, the reasonable fees of PG&E's in-house attorneys who perform services in connection with any such action shall be recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by PG&E's Law Department.

17. No Waiver. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.

18. No Offsets. Grantee acknowledges that PG&E is executing this Agreement in its capacity as the owner of the Easement Area, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein, no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of PG&E and Grantee under this Agreement. Further, Grantee covenants not to raise as a defense to its obligations under this Agreement, or assert as a counterclaim or cross-claim in any litigation or arbitration between PG&E and Grantee relating to this Agreement, any claim, loss, damage, cause of action, liability, cost or expense (including, but not limited to, attorneys' fees) arising from or

in connection with Pacific Gas and Electric Company's provision of (or failure to provide) electricity and natural gas.

19. No Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of land or rights to the general public. The right of the public or any person, including Grantee, to make any use whatsoever of the Easement Area(s) or any portion thereof, other than as expressly permitted herein or as expressly allowed by a recorded map, agreement, deed or dedication, is by permission and is subject to the control of PG&E in its sole discretion.

20. No Third Party Beneficiary. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as expressly provided herein, does not confer any rights or remedies on any other person or entity.

21. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

22. Time. Except as otherwise expressly provided herein, the parties agree that as to any obligation or action to be performed hereunder, time is of the essence.

23. Severability. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

24. Counterparts. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.

25. Other Documents. Each party agrees to sign any additional documents or permit applications which may be reasonably required to effectuate the purpose of this Agreement. Provided, however, that PG&E will not be required to take any action or execute any document that would result in any cost, expense or liability to PG&E.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

MP MINTO ASSOCIATED, LP,
a California Limited Partnership

By: _____
Ettore Minor
Its: Manager, Land Management

By: Mid – Peninsula The Farm, Inc
a California nonprofit public benefit
corporation,
its general partner,

By: _____

Name: _____

Its: _____

Exhibits A, B, C and D attached

Area 3, Central Coast Division
Land Services Office: Salinas
Operating Department: Substation
USGS Location: T11S, R02E, MDBM, Sec. 28, NW ¼ of NW ¼.
FERC License Number(s): N/A
PG&E Drawing Number: Map 135-44-019-2
Plat No: P 20 08 & 09 (Elec), 3679 – G03 & G04(Gas)
LD of any affected documents: LD 2211-02-0048
LD of any cross – referenced document: N/A
Type of Interest: 11c, 42, 43
SBE Parcel Number: 135-44-19-2
(For Quitclaims, % being quitclaimed)
Order # or PM #:
JCN: N/A
County: Santa Cruz
Utility Notice Number: N/A
851 Approval: Advise Letter
Prepared By: DBB6
Checked by: TWM2
Revision Number (is applicable): N/A

EXHIBIT A

PG&E PROPERTY

LD 2211-02-0048

The parcel of land, situate in the County of Santa Cruz, State of California, conveyed by California Pacific Title Company, a California corporation, to Coast Counties Gas And Electric Company, a corporation, date November 18, 1947 and recorded in Volume 594 of Official Records at page 228, Santa Cruz County Records; excepting therefrom the parcel of land, situate in the County of Santa Cruz, State of California, conveyed by Coast Counties Gas And Electric Company, a corporation, to John M. Lukrich, date December 19, 1949, in Book 751 of Official Records at page 67, Santa Cruz County Records.

EXHIBIT B

DRAINAGE EASEMENT

Across

Lands of the Pacific Gas and Electric Company

(to be attached)

EXHIBIT C

INSURANCE REQUIREMENTS

Grantee shall procure, carry and maintain in effect throughout the term of this Agreement the following insurance coverage. Grantee is also responsible for its subcontractors maintaining sufficient limits of the appropriate insurance coverages.

A. Workers' Compensation and Employers' Liability

1. Workers' Compensation insurance indicating compliance with any and all applicable labor codes, acts, laws or statutes, state or federal.
2. Employer's Liability insurance shall not be less than \$1,000,000 for injury or death, each accident.

B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability insurance "occurrence" form with no additional coverage alterations.
2. The limits shall not be less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy limits.
3. Coverage shall include: a) an "Additional Insured" endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee. If the policy includes "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's requirement: "by blanket endorsement, PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Grantee are included as additional insured"; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.

C. Pollution Liability

1. PG&E shall be named as additional insured.

D. Additional Insurance Provisions

1. Upon the Effective Date of the Easement Agreement Grantee shall furnish PG&E with two (2) sets of certificates of insurance including required endorsements.
2. Documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.
3. The documents must be signed by a person authorized by that insurer to bind coverage on its behalf and submitted to:

Pacific Gas and Electric Company
Insurance Department
One Market, Spear Tower, Suite 2400
San Francisco, California 94105

Pacific Gas and Electric Company
Land and Environmental Management
356 East Alisal Street
Salinas, Ca 93901
Attention: Land Agent

4. Upon request, Grantee shall furnish PG&E evidence of insurance for its agents or contractors.
5. PG&E may inspect the original policies or require complete certified copies at any time.

EXHIBIT D

LEGAL DESCRIPTION OF BENEFITTED PROPERTY

Being a part of the Rancho Corralitos and being also a portion of the lands conveyed by the California Pacific Title Company to Coast Counties Gas and Electric Company, by deed recorded November 19, 1947 in Volume 594, at page 228, Official Records of Santa Cruz County, California, and beginning on the southern boundary of said last named lands on the northern side of a 40 foot wide county road, known as the Minto Road, at the southeastern corner of the lands described in the deed of trust from Ernest O'Brien, et ux., to L. H. Lopes, et al., recorded April 4, 1938 in Volume 353, at page 15, Official Records of Santa Cruz County; running thence from said POINT OF BEGINNING along the eastern boundary of said last named lands North 205.33 feet to the northeastern corner thereof; thence along the northern boundary West 0.35 feet; thence leaving said northern boundary North 182.52 feet to the southeastern corner of lands conveyed by the Pajaro Valley Steam Laundries, a corporation, to Rovella Harris by deed recorded December 12, 1941 in Volume 434, at page 50, Official Records of Santa Cruz, California; and thence along the eastern boundary of said lands North 129.44 feet to the northern boundary of the aforesaid lands conveyed by California Pacific Title Company to Coast Counties Gas and Electric Company as aforesaid; thence along said northern boundary south 87° 14' east 580.34 feet to a point; thence leaving said northern boundary South 517.61 feet to a point in the northern side of the aforesaid 40 foot county road, known as Minto road; and thence along the northern side of said road, north 87° 12' west 580 feet to the place of beginning.

APN: 051-151-35

Advice 4081-E
July 2, 2012

Attachment 1.B
Easement Agreement, Exhibit B

PG&E STORM DRAINAGE EASEMENT

LEGAL DESCRIPTION

SITUATE IN THE RANCHO DE LOS CORRALITOS, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA.

BEING AN EASEMENT FOR ACCESS PURPOSES TO MAINTAIN STORM DRAINAGE FACILITIES OVER A PORTION OF THE LANDS CONVEYED BY THE CALIFORNIA PACIFIC TITLE COMPANY TO COAST COUNTIES GAS AND ELECTRIC COMPANY, BY DEED RECORDED NOVEMBER 19, 1947 IN VOLUME 594, AT PAGE 228, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, CALIFORNIA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE LANDS CONVEYED TO MP MINTO ASSOCIATES, L.P., DATED APRIL 10, 2007 AND RECORDED AT DOCUMENT # 2007-0023876, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, ON THE NORTHERLY SIDE OF A 40.00 FOOT WIDE COUNTY ROAD, KNOWN AS MINTO ROAD; THENCE FROM SAID POINT OF BEGINNING, ALONG THE NORTHERLY SIDE OF SAID ROAD, SOUTH 87° 12' EAST A DISTANCE OF 143.00 FEET; THENCE LEAVING SAID NORTHERN SIDE OF SAID ROAD, NORTH 40° 32' 30" WEST A DISTANCE OF 219.74 FEET, MORE OR LESS, TO THE EASTERN BOUNDARY OF SAID LANDS CONVEYED TO MP MINTO ASSOCIATES, L.P.; THENCE ALONG SAID EASTERN BOUNDARY, SOUTHERLY 160 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

SAID EASEMENT CONTAINING 0.26 ACRES, MORE OR LESS





IFLAND SURVEY

Surveying - Mapping - GPS

303 Potrero Street, Suite 43-108, Santa Cruz, CA 95060
Tel 831.426.7941 Fax 831.426.6266

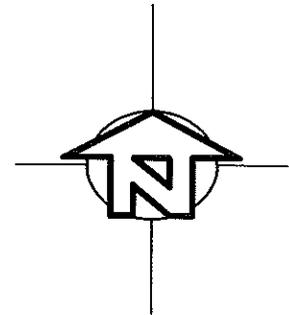
JOB NO. _____ G11074

SHEET NO. 1 OF 1

CALCULATED BY gri/pdr DATE 4/10/2012

SCALE: _____ 1" = 40'

EXHIBIT 1



MP MINTO ASSOCIATES LP
APN 051-511-35

PACIFIC GAS & ELECTRIC
COMPANY
APN 051-091-03

SOUTHERLY
160'

N 40°32'30" W
219.74'

STORM
DRAINAGE
EASEMENT

POINT OF
BEGINNING

143.00'
S 87°12' E

MINTO ROAD

(A 40 FOOT WIDE
COUNTY ROAD)

MEIDL AVENUE
(A 40 FOOT WIDE COUNTY ROAD)



Advice 4081-E
July 2, 2012

Attachment 2
Easement Area Photo



Advice 4081-E
July 2, 2012

Attachment 3
Easement Appraisal

**APPRAISAL REPORT OF THE PROPERTY
BEING AFFECTED BY THE PROPOSED
MINTO PLACE APARTMENTS & MINTO
ROAD IMPROVEMENT PLAN PROJECT**

**PG&E SUBSTATION
N SIDE OF MINTO ROAD, EAST OF MEIDEL
AVENUE
WATSONVILLE, CALIFORNIA
(APN: 051-091-03-000)**

FOR

**MS. ELIZABETH NAHAS WILSON
MP MINTO ASSOCIATES, LP
c/o MIDPEN HOUSING CORPPRATION
77 ASPEN WAY, SUITE 103
WATONSONVILLE, CA 95076**

BRI #12-062



May 24, 2012

Elizabeth Nahas Wilson
MP Minto Associates, LP
c/o MidPen Housing Corporation
77 Aspen Way, Suite 103
Watsonville, CA 95076

Re: Appraisal of Property Affected by
Minto Place Apartments and Minto Road Improvement Plan Project

Dear Ms. Wilson:

I have completed an appraisal of the referenced property that is proposed to be acquired for the Minto Place Apartments and Minto Road Improvement Plan Project. The included appraisal constitutes a summary report as defined by USPAP.

The following appraisal report contains the scope of the assignment, required investigation, data and analyses upon which my opinion of market value is based. The appraisal is subject to the hypothetical condition, extraordinary assumptions, general assumptions and limiting conditions and certification included in the report.

We have prepared these reports of our appraisals in conformance with and subject to the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. In addition, we have intended to comply with all applicable state laws.

We are pleased to have this opportunity to provide you with professional appraisal services.

BENDER ROSENTHAL, INC.

David B. Wraa, MAI
California Certified General
Real Estate Appraiser
Certificate No. AG023713

¹ The Appraisal Institute is a national (USA) organization of professional appraisers that self-regulates its members, and the undersigned is a designated Member of the Appraisal Institute (MAI). A Member must at all times adhere to the Institute's ethics code and standards. The Appraisal Foundation has been tasked by the U. S. Congress to set standards and procedures with which state certified appraisers must comply when appraising any property interest involved in a federally regulated transaction.

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I. INTRODUCTION

CLIENT, INTENDED USE, INTENDED USER(S)

The client is MP Minto Associates, LP. The intended users of the appraisal are MP Minto Associates, LP and Pacific Gas and Electric (PG&E). The appraisal will be used to determine the value of an easement that will allow construction and maintenance of the drainage facilities for the project on a PG&E substation.

SCOPE OF WORK

The purpose of the appraisal is to estimate the fair market value of an easement acquisition located on the property owned by PG&E. The function of the report is to estimate the compensation of the easement being acquired for the Minto Road Improvement Plan Project. The date of value is based on the inspection date, unless noted otherwise in the appraisal. The date of the report is the date the appraisal transmitted to the client. The value estimates are stated in terms of cash, or terms equivalent to cash.

Valuation/Research Overview

The following is an overview of the valuation process and research involved for the subject property and comparable sales. The valuation of the property involved an investigation and analysis of the neighborhood, as well as the entire regional area, for social, economic, governmental, and environmental forces and trends that affect or could influence property values.

- The subject property and neighborhood was inspected on May 9, 2012 by Joe Zapata and Lisa Besso, both of Bender Rosenthal, Inc. The appraisers inspected the proposed easement area from the street.
- Study of the area, community, and neighborhood to determine market area.
- Research of public records to verify information about the subject property and comparables to ensure they are factually accurate and that there are no terms or additional influences that affect price or value.
- Research zoning, specific plans, and general plans obtained from Santa Cruz County Planning Department, and other department websites.
- Review of applicable flood maps obtained from FEMA.
- Review public records obtained from the various city and county governmental agencies including the Planning Department, Assessor's Office, and Tax Collector's Office.
- A search of specific property transfers occurring during the past five years was conducted for the subject property.
- Research comparable property sales, listings, and offers to purchase or sales involving properties similar to the subject property and within the subject's or competing market areas.

- Interview comparable property owners and brokers.
- Determine relevant methods of valuation to be used.
- Inspect potential comparable properties to determine most similar properties for comparison.
- Evaluate each comparable in comparison to the subject property to estimate the fair market value of the subject.
- Prepare report. The appraisal is reported in a Summary (contains a summary of all information significant to the solution of the appraisal problem) format as identified in the appraisal.

Joe Zapata and Lisa Besso provided significant assistance in the preparation of this report including: determination of the appraisal problem, inspection of the subject property, collection and analysis of the data, valuation analysis, and the reconciliation in this report under the direct supervision of David Wraa, MAI.

Valuation Approaches

The appraisal process includes the investigation and analysis of the subject, market, and other relevant data for the purpose of providing an opinion of the defined value for the subject property. All economic forces and factors are considered in arriving at the highest and best use and valuation of the subject property.

There are typically three approaches to value that may be used in the real property valuation process. They are the Sales Comparison Approach, Income Approach, and Cost Approach. Each approach provides an indicated value that is reconciled into a final estimate of value for the subject based on the interests appraised the defined objective of the valuation and the stated definition of value. The analysis may include one, two or all three approaches to value based on the data available, the type of property and appraisal valuation problem.

Sales Comparison Approach

A value indication is derived by comparing the property being appraised to similar properties that have sold recently; making qualitative or quantitative comparisons to the subject; then applying units of comparisons to indicate a value for the larger parcel or remainder parcel. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of valuation when an adequate supply of comparable sales is available. Sales, listings and current escrows of comparables were considered in this analysis. Primary reliance has been placed on closed sales transactions.

Income Approach

A value indication is derived for income-producing property by converting its anticipated benefits (cash flows and reversion) into a value for real property interests. Typically the annual net income is capitalized at a market-derived capitalization rate to estimate the desired value. The income approach is most often used for income producing properties or real estate acquired as an investment.

Cost Approach

A value indication is derived for a property by estimating the current cost to construct a replacement/reproduction of the existing structure(s); deducting depreciation from all sources; and adding the estimated land value. The cost approach is most often used when valuing properties with new or relatively new improvements and also special use properties.

Right of Way Appraisals

Appraisals for public acquisitions involve acquiring fee title and/or easement rights from an owner. In situations whereby a property is leased, the property is valued as if title were held by a single entity, consistent with the “unit rule” or the “undivided fee rule”. Improvements not impacted by the project may not be included in the analysis.

Full Interest Analysis

The acquisition of all property rights using the applicable valuation methodology.

Partial Acquisition Interest Analysis

This methodology is applicable to the appraisal assignment. The analysis starts with an estimate of market value for the “undivided fee” interest of the larger parcel using the most applicable method for valuing similar properties.

Once the larger parcel value is estimated the following partial acquisition appraisal methodology is utilized:

- Value the part acquired.
- Value of the remainder parcel as part of the Larger Parcel, which is the value of the remainder before consideration of damages or benefits.
- Value the remainder parcel, after the proposed acquisition and before consideration of benefits. This identifies severance damages due to the acquisition, consisting of a potential loss of market value (by comparing to value of the remainder as part of the larger parcel) and cost to cure damages are estimated where applicable.
- Value the remainder parcel, after the acquisition, considering benefits. This identifies benefits, consisting of a potential gain in market value due to the acquisition (by comparing to value of the remainder as part of the larger parcel).
- The value of the acquisition is the value of the part acquired plus net severance damages as California law allows benefits to only offset severance damages.

*Non-Compensable Damages*¹

Items of severance damages are considered to include factors that are remote, speculative, uncertain, or imaginary. Some examples of non-compensable items are:

- Damages to business;
- Expenses for moving personal property;
- Temporary damage to the use and occupancy of property reasonably incident to construction requirements;
- Damages due to annoyance and inconveniences suffered by the public in general;
- Circuity of travel caused by dividing a highway;
- Re-routing or diversion of traffic or changing of a two-way street to a one-way street; and
- In general, all those types of damages that can be considered to be conjectural, speculative and remote.

DEFINITIONS USED IN THE REPORT

Market Value² is the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Fee Simple Estate³ is the absolute ownership of real property unencumbered by any other interest, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Property Rights Defined

Fee simple estate - absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.⁴

Permanent easement - An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.⁵

¹CALTRANS RIGHT OF WAY MANUAL, SECTION 7.09.03.00

² THE APPRAISAL OF REAL ESTATE (Thirteenth Edition), Appraisal Institute, Chicago, Illinois, 2008, p. 23

³ THE DICTIONARY OF REAL ESTATE APPRAISAL (Fifth Edition), Appraisal Institute, Chicago, Illinois, 2010, p. 78.

⁴DICTIONARY OF REAL ESTATE APPRAISAL (Fifth Edition), Appraisal Institute, Chicago, Illinois, 2010, p. 78.

⁵DICTIONARY OF REAL ESTATE APPRAISAL (Fifth Edition), Appraisal Institute, Chicago, Illinois, 2010, p. 246.

Temporary Construction Easement – An easement granted for a specific purpose (construction of the proposed project) and applicable for a specific or limited period of time.⁶

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and the value estimates it contains are expressly subject to the following assumptions and/or limiting conditions.

1. Title to the property is marketable.
2. No survey of the properties has been made by the appraisers and property lines as they appear on the ground are assumed to be correct.
3. Data, maps, and descriptive data furnished by the client or his/her representatives are accurate and correct.
4. No responsibility is assumed for matters of law or legal interpretation.
5. No conditions exist that would affect the use and value of the property, which are not discoverable through normal, diligent investigation.
6. The valuation is based on information from sources believed reliable, and that such information is correct and accurately reported.
7. The value estimate is made subject to the purpose, date, and definition of value.
8. The report is to be considered in its entirety and use of only a portion will invalidate the appraisal.
9. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of highest and best use.
10. Possession of this report or a copy does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Bender Rosenthal, Inc., and then only with proper qualifications.
11. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. No part of this narrative report may be reproduced by any means nor disseminated to the public in any way without the prior written consent of Bender Rosenthal, Inc.
12. Any person or entity who obtains or reads this report, or a copy, other than the client specified in this report, expressly assumes all risk of damages to himself or third persons arising out of reliance on this report and waives the right to bring any action based on the appraisal, and neither the appraisers nor the appraisal firm shall have any liability to any such person or entity.
13. The appraisers shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described in this report unless prior arrangements have been made.

⁶ DICTIONARY OF REAL ESTATE APPRAISAL (Fifth Edition), Appraisal Institute, Chicago, Illinois, 2010, p. 195

14. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
15. The properties appraised may or may not be subject to the Americans with Disabilities Act of 1990 (ADA). Title III of this act provides for penalties for discrimination in failing". . . to remove architectural barriers . . . in existing facilities [unless] an entity can demonstrate that the removal . . . is not readily achievable. . ." Unless otherwise noted in this appraisal, it is assumed that the properties appraised are not substantially impacted by this law.
16. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of such substances as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
17. It is assumed that the properties appraised are competently managed and marketed.

EXTRAORDINARY ASSUMPTIONS

“An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinion or conclusion.”⁷

The appraisers were provided a plan and legal description prepared by Parsons Brinckerhoff. The plan depicted a dashed line representing the storm drainage easement area while the legal description identified the area needed for the easement area (0.26-acres). Should the area calculations be revised, the appraiser’s value opinions could change.

We were not provided with a Phase I Environmental Site Assessments for the appraisal. The value stated in this report is based on the assumption that the property is “free and clear” of any potential toxics. The appraiser is not an expert in this field and is not qualified to detect or advise on similar matters. This appraisal, therefore, assumes there is no toxic contamination on the subject property.

1. A preliminary title report was not provided for the subject property. The appraiser is assuming there are no existing easements that would negatively affect the subject property nor are there any existing easements that overlap the proposed acquisition area. If a preliminary title report and there are existing easements that negatively affect the subject property or overlap the proposed easement area, the appraisers opinion of value could change.

⁷ 2011-2012 Edition of USPAP, pg U-3

HYPOTHETICAL CONDITION:

“That which is contrary to what exists but is supposed for the purpose of analysis.”⁸

1. The valuation of the remainder parcel in their conditions after consideration of the partial acquisition and construction in the manner proposed presumes a hypothetical condition. This is due to, as of the effective date of value, the parts being acquired have not yet been severed from the larger parcels and the project has not yet been constructed. Information about the project and its improvements was provided by the client and relied upon in analyzing the impacts the proposed project will have on the subject remainder parcel.
2. The subject property is currently zoned PF – Public Facilities with a General Plan of PF – Public Facilities. Due to the lack of open market sales for this type of property, the appraiser has appraised the property using the most likely economic use, or residential land on the suitable land. This is contrary to how the property exists today.

⁸ 2010-2011 Edition of USPAP, pg U-3

II. SANTA CRUZ COUNTY OVERVIEW

Santa Cruz County is located on the California coast, situated at the north end of the Monterey Bay. Santa Cruz County has 254,538 residents and is situated at the northern tip of Monterey Bay, 65 miles south of San Francisco, 35 miles north of Monterey, and 35 miles southwest of the Silicon Valley. Its natural beauty is present in the pristine beaches, lush redwood forests, and rich farmland. It has an ideal Mediterranean climate with low humidity and sunshine 300 days a year.

There are four incorporated cities within Santa Cruz County. The largest is the City of Santa Cruz, with a population of 54,593. Watsonville has a population of 44,265; Scotts Valley has 11,385, and Capitola has 10,033.

A regional map is shown below.

REGIONAL MAP



Population. Santa Cruz County had a population of over 264,430 residents as of the beginning of the 2011 year. Population projections indicate that the county will grow to nearly 287,480 residents by 2020 and over 304,465 residents by 2030.

As of January of 2011, Santa Cruz County had a population of 264,430, an increase of 0.7 percent over the 2010 population. The rate of growth in Santa Cruz County continues to mirror that of the state. Santa Cruz, Watsonville and Scotts Valley all showed population growth with Capitola as the only city with a population decline in the county.

Historical Populations				
	1980	1990	2000	2010
Santa Cruz County	188,141	229,734	255,602	262,382
Capitola	9,095	10,171	10,033	9,918
Santa Cruz	41,483	49,040	54,593	59,946
Scotts Valley	6,891	8,615	11,385	11,580
Watsonville	23,662	31,099	44,265	51,199
Source: California Department of Finance				

As shown in the table below, projections indicate that the rate of growth in Santa Cruz County is expected to increase by more than 15% between 2011 and 2030. Santa Cruz County’s population growth is expected to be below the rate of the State’s as a whole.

Population Projections				
	2011 (Actual)	2020	2030	% Growth
California	37,578,616	44,135,923	49,135,923	30%
Santa Cruz County	264,430	287,480	304,465	15%
Source: California Department of Finance				

Quality of Life. Santa Cruz County is the Gateway to the Monterey Bay National Marine Sanctuary, has 29 miles of beaches and includes six state parks and six state beaches. Its quaint shops and restaurants, coupled with a multitude of cultural and recreational activities, including sailing, fishing, golf, tennis and hiking, provide a wealth of leisure activities. The State of California owns and maintains 42,334 acres of parks in the coastal and mountainous areas of Santa Cruz County. The County maintains an additional 850 acres of parks, and numerous parks are also found within the cities. Cultural amenities include the Santa Cruz County Symphony, the Cabrillo Music Festival, Shakespeare Santa Cruz, the McPherson Museum of Art and History, the University of California Performing Arts Center, and the Henry J. Mello Performing Arts Center.

Santa Cruz County’s strong local economy is anchored by vibrant high technology, agriculture, and tourism. Santa Cruz also hosts the Long Marine Laboratory, the Lick Observatory, the National Marine Fisheries service, and the Oiled Wildlife Veterinary Care and Research Center.

Santa Cruz County is served by the San Jose International Airport, the San Francisco International Airport, Oakland International Airport, Monterey Peninsula Airport, and the Watsonville Municipal Airport. Rail access is provided by Union Pacific Railroad, with a railhead at Watsonville Junction. These elements of high quality living make Santa Cruz one of California’s most desirable living areas.

With regard to educational facilities, the County offers a well balanced system for its residents. It is home to 10 school districts and over 90 public schools. In addition, higher education opportunities are also conveniently available at Cabrillo Community College and the University of California,

Santa Cruz. With the anticipated residential expansion in many cities within the County, additional educational facilities are expected in the future.

Access/Transportation. California State Route 1 runs north/south along the California Coastline an important feature in the growth and development of the area. State Route 9 is mainly a rural and mountainous route that travels from State Route 1 near Santa Cruz to State Route 17 in Los Gatos, passing through the San Lorenzo Valley and the Saratoga Gap. State Route 17 is an expressway that runs between San Jose and Santa Cruz and supports substantial commuter and vacation traffic between San Jose and Santa Cruz.

Santa Cruz County is served by the Santa Cruz Metropolitan Transit District bus system. A "Highway 17 Express" bus between Santa Cruz and San Jose is jointly operated by the SCMTD and the Santa Clara Valley Transportation Authority. Greyhound Lines bus service also serves Santa Cruz County.

Employment. The economy of Santa Cruz County provides a desirable mix of jobs for those migrating to the area. Santa Cruz County's increasingly diverse economy and geography has attracted a number of employers and residents to the area in recent years. Per 2009 statistics provided by the California Employment Development Department, Education is the County's leading employer, followed by Technology and Government.

Unemployment Rates. The following table presents the civilian labor force, employment, and the unemployment rate for Santa Cruz County for January 2010 to January 2012.

<i>Santa Cruz Unemployment Rate</i>		
	California	Santa Cruz County
January 1, 2012	11.30%	13.50%
January 1, 2011	12.70%	15.00%
January 1, 2010	12.90%	15.40%

According to the Employment Development Department, unemployment statistics, as of January 2012, indicate a current unemployment rate of 13.5% for Santa Cruz. As indicated in the table above, the unemployment rate in the County has been generally decreasing over the course of the last several years.

Regional Analysis Conclusion. Santa Cruz County is well known for its vibrant high technology, agriculture, and tourism, and the school system. The eastern portion of the County offers fertile soils, convenient access and topography making it ideal for crop production. That being said, however, residents in the area also enjoy a variety of recreational activities in the mountains that boarder the County to the west. Similar to other areas along the Central California Pacific Coast, Santa Cruz County experienced rapid growth over the course of the 2003-2005 years. However, after the 2006 year, this growth slowed significantly in accordance with the declines observed in the housing market. Current economic conditions have had a negative impact on the region which has been observed through increasing unemployment rates and downward pressure on the property values. However, upon stabilization of the markets, the County, and the Central California Pacific Coast as a whole, is poised for additional growth.

III. NEIGHBORHOOD DESCRIPTION/IMMEDIATE ENVIRONS

The subject property appraised is located in the unincorporated area of Watsonville in Santa Cruz County, which is bounded by Minto Road to the South and Miedl Road to the West. The immediate neighborhood is generally characterized by urban low residential land, urban high residential land and agricultural farmland.

Primary access to and from the neighborhood is provided by Minto Road, which bisects Watsonville a general east-west direction. This roadway directly connects with Green Valley Road.

Land uses in the area include a combination of agricultural, single family residential, multifamily residential and public uses. However, the majority of the properties in the area are residential in nature. Commercial amenities are very sparse in the neighborhood area

A neighborhood map is shown below.

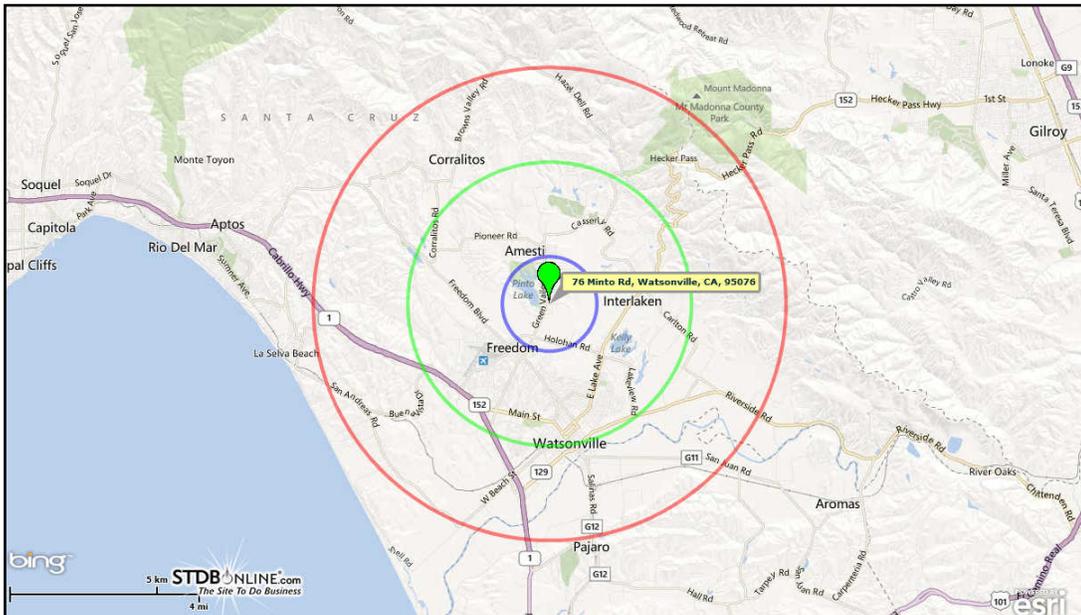
NEIGHBORHOOD MAP



MP Minto Associates, LP is proposing to build The Minto Place Apartments Project. This project would entail the construction of 19 apartment buildings for a total of 88 residential housing units on approximately 6.9 acres of land located on the north side of Minto Road, at the intersection of Meidl Avenue. The proposed project includes a community garden, a park and a community center.

DEMOGRAPHIC ANALYSIS

In order to further describe the subject’s immediate neighborhood, statistical information was obtained from the online *Site To Do Business* (STDB). A demographic survey was performed within 1, 3 and 5 mile radii rings around the property appraised. The following is a presentation of the map and defined areas and a brief discussion of the relevant neighborhood statistics.



POPULATION GROWTH

Within a one mile radius, the survey indicates a population of 3,856 residences. By 2015, the population within one mile of the subject is expected to grow by 0.28% per year. Within 3 miles of the subject, the projected population growth is 0.24% per year. This is slightly more than the five mile radius ring of 0.24% per year over the same time frame.

<i>Historical and Projected Population Growth</i>			
Population	1-Mile Radius	3-Mile Radius	5-Mile Radius
2015 Projection	3,856	65,657	79,136
2010 Estimate	3,803	64,840	78,176
2000 Census	3,466	59,051	71,632
Growth 2010-2015	0.28%	0.24%	0.24%
Growth 2000-2010	0.91%	0.92%	0.86%

EMPLOYMENT

The largest employment industry within 1, 3 and 5 miles of the subject is the Service Industry at just about 42% of the employment base.

2010 Estimate of Employment						
Business Description	1-Mile Radius		3-Mile Radius		5-Mile Radius	
	Total Employees	Percent of Total	Total Employees	Percent of Total	Total Employees	Percent of Total
Agriculture/Mining	330	20.49%	3,465	13.6%	4,617	14.7%
Construction	135	8.4%	1,961	7.7%	2,387	7.6%
Manufacturing	111	6.9%	2,318	9.1%	2,764	8.8%
Wholesale Trade	67	4.2%	1,273	5.0%	1,602	5.1%
Retail Trade	177	11.0%	2,802	11.0%	3,392	10.8%
Transportation/Utilities	46	2.9%	764	3.0%	879	2.8%
Information	17	1.1%	356	1.4%	408	1.3%
Finance/Insurance/Real Estate	43	2.7%	764	3.0%	1,005	3.2%
Services	662	41.1%	11,082	43.5%	13,570	43.2%
Public Administration	19	1.2%	687	2.7%	816	2.6%
Total	1,612	100.0%	25,478	100.0%	31,414	100.0%

Housing Of the total number of housing units in the County, it is estimated at just over 56% are owner occupied. The balance is renter occupied or vacant as summarized in the following table:

Housing Units Summary			
	2000	2010	2015
Housing Units	40,529	107,260	108,984
Owner Occupied Housing Units	59.00%	56.70%	55.80%
Renter Occupied Housing Units	33.20%	33.70%	33.10%
Vacant Housing Units	7.70%	9.60%	11.10%

Given changes in local and macro economic conditions since the 2006 year, housing prices have declined relative to prices observed in the years prior. Currently, the estimated median owner-occupied housing value is \$675,300. However, as shown in the following table over 24% of the owner-occupied homes have estimated values over \$200,000.

Agricultural Production. Santa Cruz County total gross production value for 2010 is \$532,526,000, a 20% increase from 2009. The top commodities are Strawberries, Raspberries and Miscellaneous Vegetables. Strawberries represent 37% of the total crop and livestock value for 2010.

CONCLUSION

The subject's neighborhood is located in the unincorporated areas of Watsonville. The immediate neighborhood can primarily be characterized as residential and agricultural land. The area benefits from available access to major highway corridors. Although the neighborhood, and the Region as a whole, has been negatively impacted by current economic conditions, it is still viable.

IV. PROPERTY DESCRIPTION

Property Address: No site address
North side of Minto Avenue, east of Miedl Road
Watsonville, CA 95076

APN: 051-091-03

Owner: Pacific Gas and Electric (PG&E)

Mailing Address: P.O. Box 770000
San Francisco, CA 94177

Representative(s): Darin Polsley (PG&E)

Telephone: (925) 270-2765

Owner Title Interest: Fee simple

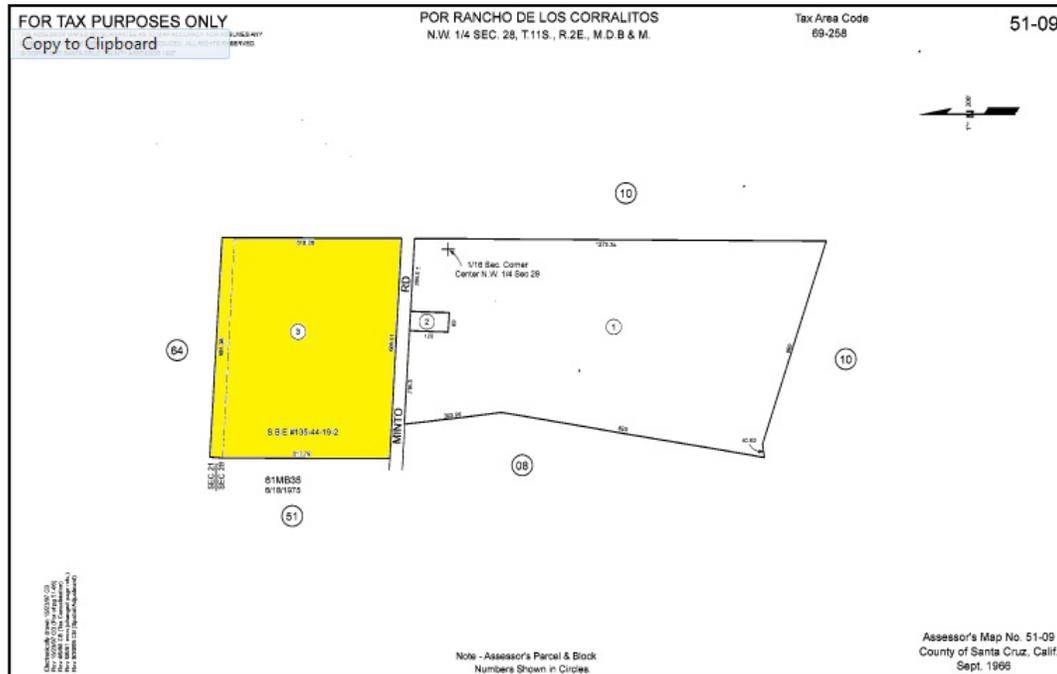
Ownership History: Based on review of public records it appears PG&E has owned the property for more than five years. The subject property is not currently listed for sale.

Date of Inspection: May 10, 2012

Date of Value: On May 10, 2012, Joe Zapata and Lisa Besso inspected the proposed easement area from the street.
May 10, 2012

Date of Report: May 11, 2012

ASSESSORS PARCEL MAP



- Size:** 8.67± acres or 377,665± SF (Source: Santa Cruz County Assessor's Office)
- Shape:** Rectangular.
- Frontage:** The subject property has approximately 681± linear feet of frontage along the north side of Minto Road.
- Accessibility:** The subject property is accessed along the north side of Minto Road via a driveway cut out.
- Exposure:** The subject property has good exposure along Minto Road.
- Topography & Drainage:** Topography is mostly level with some gently sloping area along the western boundary of the subject.
- Offsite Improvements:** Minto Road is not improved with curb, gutter or sidewalks.
- Utilities:** All utilities are available to the site including city water and sewer services.

Zoning:	Public Facility.
Specific Plan:	None.
General Plan Designation:	Public Facility.
Current Entitlement Status:	Not applicable.
Parcel Improvements:	The subject property is used as a substation by PG&E. The substation itself is secured by chain link fencing as well as the perimeter of the property. There is a gate located at the driveway entrance to enter onto the property. The majority of the parcel is level; however towards the southwestern portion of the property, it begins to slope downward where the majority of the land is marshy in nature, heavily vegetated and contains wetlands. This area is outside the substations fenced area.
Lease or Rental Status:	None.
Easements:	A Preliminary Title Report was not provided (please see Extraordinary Assumption No. 3).
Encroachments:	None Noted.
Private Restrictions:	None known to exist.
Flood Zone:	The property is located in Flood Zone X, as designated on FEMA Flood Insurance Rate Map 06087C0384D, revised March 2, 2006.
Wetlands:	The subject contains wetlands.
Seismic Information:	The subject property is not within a Fault-Rupture Hazard Zone (formerly an Alquist-Priolo Special Studies Zone), according to Special Publication 42, "Fault-Rupture Hazard Zones in California", published by the California Department of Conservation, Division of Mines and Geology, revised 1997. No active faults are located on or in the proximity of the property. However, strong earthquakes generated along any of the active California faults may affect the site depending on the characteristics of the earthquake and the location of the epicenter. In general, the effects

should be confined to shaking and/or acceleration (shock waves) and potential damage to structures should be minimized by employing adequate design and construction procedures. Because Santa Cruz County, and most of the State of California, is a seismically active region, the potential for earthquake-induced hazards must be acknowledged. However, the history of past earthquake activity does not indicate that Santa Cruz County is a particularly hazardous area. Current engineering design, and construction practices, such as the Uniform Building Code, provide the opportunity to reduce earthquake related hazards.

Cultural, Recreational and Historical Significance:

None.

Toxic Hazards:

We are unaware of any toxics investigation report. The appraiser did not observe any problems during inspection. However, the appraiser is not an expert in this field; please refer to Item 16 & any extraordinary assumptions of the Assumptions and Limiting Conditions.

Property Tax Data and Projected Taxes:

No property taxes are assessed as the parcel is a public facility.

Overall Comments:

The subject property is currently improved as a substation for PG&E. The majority of the property is level; however portions of the western boundary are gently sloping into an area of marshy land that is heavily vegetated and contains wetlands. This area is outside the substations fenced area. This is the area in which the proposed easement area is located. The portion of the property that is gently sloping and contains areas of wetlands is not buildable; therefore for the purpose of this appraisal we have concluded the property would have two different zones of value and will only be appraising the zone of value that is affected by the proposed easement area.

V. PROJECT DESCRIPTION AND PROPOSED ACQUISITION

DESCRIPTION OF PROPOSED ACQUISITION

MP Minto Associates, LP is proposing the construction of 19 apartment buildings for a total of 88 residential housing units on approximately 6.9± acres of land adjacent to the PG&E parcel. As part of the conditions of approval, MP Minto Associates, LP is required to obtain a storm drainage easement from PG&E for the long-term maintenance of the proposed drainage facilities.

Description of the Proposed Acquisition

MP Minto Associates, LP is proposing to acquire a storm drainage easement totaling 0.26± acres or 11,326± square feet of the subject property for construction of the Minto Place Apartments and Minto Road Improvement Plan Project. The proposed easement area is triangular in shape and located along a portion of the subject’s western boundary.

The area to be affected by the proposed easement area consists of mostly marshy terrain. Per the plan provided by Parsons Brinckerhoff, it shows as part of the project, they will remove the existing 24 inch CMP and stone headwall and replace it with a new 36 inch PVC and concrete headwall with wier.

A tabular summary of the planned acquisition follows.

Item	Total
Larger Parcel	8.67± acres (377,665±SF)
Fee Requirements	0.0 acres
Easement Requirements	0.26± acres (11,326± SF)
Remainder Parcel	8.67± acres (377,665±SF)
<i>Source: Legal description provided by the client</i>	

Description of the Remainder Parcel:

The remainder will be identical in size and shape to the before condition, with a total area of 8.67± acres (377,665± SF). The remainder parcel will remain a wholly useable site, and its highest and best use will not be affected. Overall utility and desirability of the parcel will not be affected as the proposed acquisition is along the western boundary in a marshy, unbuildable area. The structural improvements are located on the remainder and are not impacted by the proposed easement. The remainder parcel will not suffer any damages or inure any benefits as a result of the proposed acquisition.

PG&E STORM DRAINAGE EASEMENT
LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Cruz, State of California, described as follows:
BEING A PART OF THE RANCHO CORRALITOS AND BEING ALSO A PORTION OF THE LANDS CONVEYED BY THE CALIFORNIA PACIFIC TITLE COMPANY TO COAST COUNTIES GAS AND ELECTRIC COMPANY, BY DEED RECORDED NOVEMBER 19, 1947 IN VOLUME 594, AT PAGE 228, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, CALIFORNIA, AND BEGINNING ON THE SOUTHERN BOUNDARY OF SAID LAST NAMED LANDS ON THE NORTHERN SIDE OF A 40 FOOT WIDE COUNTY ROAD, KNOWN AS THE MINTO ROAD, AT THE SOUTHEASTERN CORNER OF THE LANDS DESCRIBED IN A DEED OF TRUST FROM ERNEST O'BRIEN, ET UX., TO L. H. LOPES, ET AL., RECORDED APRIL 4, 1938 IN VOLUME 353, AT PAGE 15, OFFICIAL RECORDS OF SANTA CRUZ COUNTY; RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE NORTHERN SIDE OF SAID ROAD AND BEING ALSO THE SOUTHERN BOUNDARY OF THE LANDS OWNED BY MP MINTO ASSOCIATES, LP, SOUTH 87° 12' EAST 580 FEET TO THE TRUE POINT OF BEGINNING.
RUNNING THENCE FROM SAID TRUE POINT OF BEGINNING ALONG THE NORTHERN SIDE OF SAID ROAD, SOUTH 87° 12' EAST 143 FEET; THENCE LEAVING SAID NORTHERN SIDE OF SAID ROAD NORTH 40° 32' 30" WEST 219.74 FEET TO THE EASTERN BOUNDARY OF THE LANDS OWNED BY MP MINTO ASSOCIATES, LP; RUNNING THENCE ALONG SAID EASTERN BOUNDARY, SOUTH 160 FEET TO THE TRUE POINT OF BEGINNING. SAID EASEMENT CONTAINING APPROXIMATELY 0.26 ACRES.

VI. HIGHEST AND BEST USE ANALYSIS

In the analysis of highest and best use as though vacant and as improved, we have considered four criteria: legally permissible, physically possible, economically feasible and maximally productive. Since improved properties sometimes do not, in fact, contain the improvements that would generate the greatest return to the land, the highest and best use of the land as if it were vacant, as well as the highest and best use of the property as it is currently improved, normally are considered. The improvements located on the subject as of the date of this appraisal are not being affected by the proposed easement, and therefore only the highest and best use, as vacant, is considered.

The property is PF – Public Facilities. Because these types of properties are not transferred on the open market, the appraiser has looked at the next likely use and has concluded that a residential use is the next most likely use given the existing neighborhood. However, as mentioned previously, a portion of the subject property that is located west of the existing improvements and lies along the western boundary, consist of marshy terrain that is heavily vegetated and contains wetlands. This area has been determined to not be buildable and is the location of the proposed easement area.

HIGHEST AND BEST USE AS VACANT

Legally Permissible Uses. Possible uses are constrained by legal restrictions on a property both private and public. The larger parcel is generally planned and zoned for public facilities uses. The "PF" Public Facilities District is intended to provide areas for public and quasi-public community facilities, including public and private institutions and public services and facilities. Because these types of properties are not transferred on the open market, the appraiser has looked at the next likely use. A residential use has been concluded to be the next mostly likely use based on the subject's neighborhood. Because the valuation is based on a future residential use that is different than its current public facilities use, a hypothetical assumption has been made.

Physically Possible Uses. The size, topography, and location of the subject are important factors in determining the use of the property. The size of the site can have a significant effect on the type of development that is possible and on the economies of scale. The subject property is rectangular in shape and totals 8.67± acres with access from Minto Road. The parcel supports a residential use. The subject's access is good and the site is generally level with some gently sloping terrain. However, the area that is gently sloping, levels out towards the western boundary and consists of marshy terrain that is heavily vegetated and contains wetlands. This area would not be developable. Utilities are available to this site that would support this type of development. The land uses in the subject's neighborhood is comprised of residential neighborhoods. The physical use of a residential development could be employed at the property on the suitable portion of the site, outside the marshy area.

Financially Feasible/ Maximally Productive Uses. A proposed property improvement must be able to deliver an income return that generates the market value sufficient to pay for the developmental costs, the risks involved, and profit appropriate for the type of development. Because we are looking to the next most likely use for the subject property we conclude the most financially feasible and most viable uses for the property is to hold for future residential development that may

include a mixed residential development including multi-family and single family residences. Given the current economic slow down, the market does not support this type of development.

Highest and Best Use as Vacant

The next most likely economic use of the entire parcel is for future residential development on the suitable land.

Highest and Best Use of the Remainder

The proposed acquisition does not impact the highest and best use of the property. The remainder parcel will not suffer any damages or inure any benefits as a result of the proposed acquisition.

VII. VALUATION

Valuation Premise

MP Minto Associates, LP is seeking to acquire an easement to construct and maintain a drainage facility. The subject property's permanent improvements are not located in the proposed easement area; therefore they were not inspected or appraised. Only impacted site improvements will be appraised.

It has been determined that the highest and best use for the subject property would be for a future residential development on the suitable land. Due to a portion of the subject property being located in marshy terrain that contains wetlands, this area would not be buildable and the acquisition of the easement would have a minimal impact on the remainder property. Therefore it has been determined that the subject property has two zones of value, the area that is developable and the area that is not developable. The proposed easement area is located in the non developable area. The entire parcel is not quantified as there is no impact to this area as a result. Only the part acquired is analyzed since the acquisition is minimal with no impact to the remainder property.

The easement needed is for stormwater detention/ponding area (drainage easement). The drainage easement states it is a non-exclusive easement to excavate, install, construct, reconstruct, repair, maintain and the use of a concrete weir and detention pond, and for open-channel drainage of water from Grantee's (MP Minto Associates, LP) adjacent property. The easement also states a non-exclusive right of surface access, ingress and egress to and from Grantee's facilities within the easement area, over and across the portion of the property (drainage easement area). PG&E reserves the right to restrict access to the easement area or any portion or portions thereof in the event of fire, earthquake, storm, riot, civil disturbance, or other casualty or emergency, or in connection with PG&E's response thereto, or if emergency repairs or maintenance required to PG&E facilities within or in the vicinity of the easement area, or otherwise when PG&E deems it advisable to do so, including in connection with events and emergencies occurring or affecting PG&E's business operations located elsewhere than in the immediate vicinity of the property. The drainage easement also states the Grantee shall not erect or construct any buildings or other structures within the easement area. Based upon analysis of the Easement Agreement document (LD#2211-02-1419), provided by the client, and considering the minimal rights being granted, it is concluded there is a minimal encumbrance on the property representing **25%** of the underlying fee value.

The three accepted approaches to value are the Sales Comparison Approach, the Income Approach (capitalization analysis) and the Cost Approach (reproduction or replacement cost analysis). Given that no structural improvements are affected by the acquisition, only the land will be appraised. Thus, the property will be valued using the Sales Comparison to value. The Income Approach and Cost Approach are not considered appropriate for this assignment. The exclusion of the Income Approach and Cost Approach from this report does not reduce the reliability of this report.

The Sales Comparison Approach compares the subject property to other similar properties that have recently sold in the market area. This is usually the preferred method when comparable sales data

are available. The respective sales prices of the comparable sales are analyzed and compared to the subject based on the appraiser's knowledge of market behavior, in order to derive an indication of market value. All sales properties were compared based on a unit value, consistent with the market.

Valuation of the Subject Property

The initial stages of the appraisal process include the investigation, organization, and analysis of relevant market data and other information that relate to the market value of the subject property. By searching public records and interviewing buyers, sellers, real estate agents, developers, and others, we have found data on sales of similar land parcels reasonably comparable to the subject property. Factors that influence value include the Santa Cruz County regional demographics and economic conditions, neighborhood characteristics and features. All of these need to be considered when rendering a value conclusion.

The subject's current highest and best use has been concluded to be for future residential use; however, the larger parcel has two zones of value. The first zone is the zone which is buildable and the second zone is the area which is unbuildable. The area of the proposed acquisition area lies within the undevelopable portion of the property and therefore similar type properties were sought in the subject's market area. Comparables of unbuildable land were sought. The comparable land sales described are considered to have been market transactions that were either consummated for cash or had financing terms that were consistent with prevailing market rates and terms at the time of sale. The unit of comparison is the price per square foot, consistent with the market.

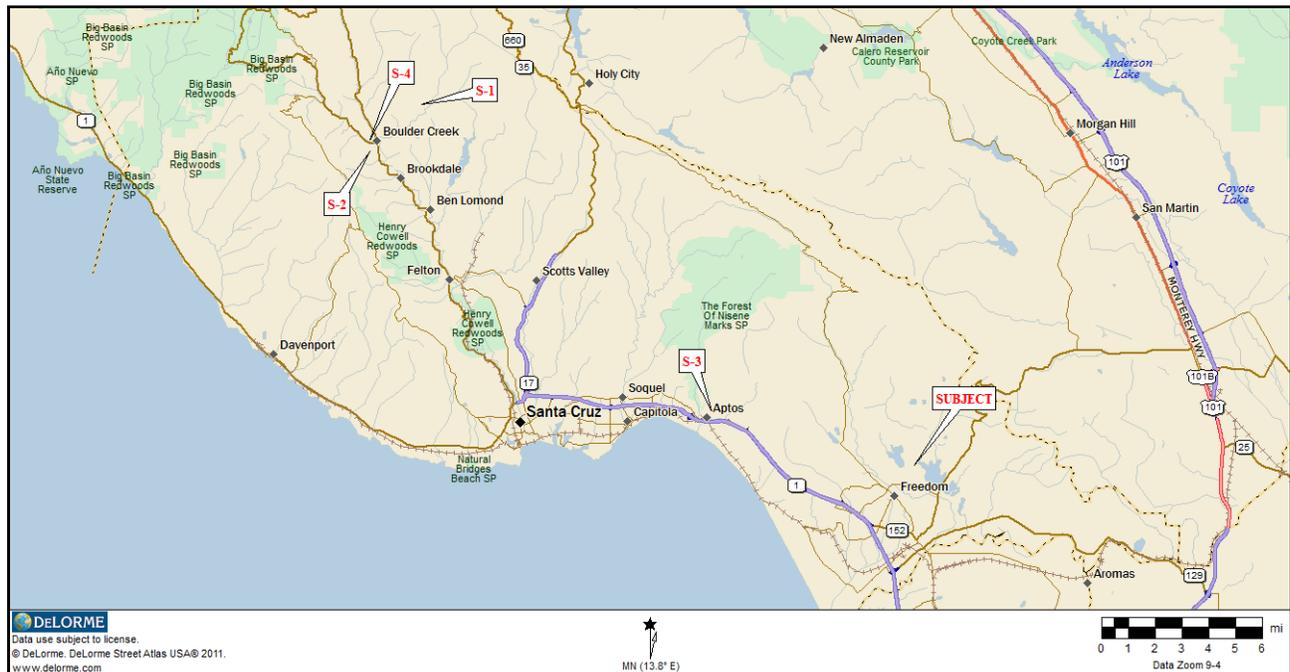
An extensive search for comparable data was conducted for non buildable land in the subject's market area. The search reveals limited market data directly comparable to the subject. The comparables found are the most relevant information available. The comparables show an upper and lower end of the range. The upper end of the range comparables had buyer motivation as well as the possibility of construction in the future, while the listing and the lower end comparable were not buildable. Following the summary table and comparable sales map is a discussion of the comparable sales in comparison to the subject property and a land value conclusion.

A summary of the comparable sales used in this analysis is presented below.

COMPARABLE LAND SALES SUMMARY TABLE

Sale # BRI #	Location APN	Grantor Grantee	Sale Date Doc. #	Sale Price	Zoning	Size	Price/ SF
<u>LS-1</u> 2665	Happy Hollow Lane Boulder Creek, CA APN: 089-831-35	<u>Egan</u> Puente	<u>3/21/12</u> 12-13871	\$173,000	SU	2.61 acres	\$1.52
<u>LS- 2</u> 2666	Walnut Avenue Felton, CA APN: 092-234-08	<u>Marken Ent.</u> Gallivan	<u>3/16/12</u> 12-13087	\$2,500	SU	0.11 acre	\$0.52
<u>LS-3</u> 2667	Redwood Drive Aptos, CA APN: 105-102-07	<u>Ceralde</u> Swedberg	<u>2/21/12</u> 12-08336	\$5,000	R-1	0.09 acre	\$1.28
<u>LS- 4</u> 2664	Blackstone Drive Boulder Creek, CA APN: 082-212-10	<u>Mallory</u> Sandry	<u>12/14/11</u> 11-52254	\$26,500	R-1	0.38 acre	\$1.60
Subject	No Site Address Minto Road Watsonville, CA APN: 051-091-03	----	----	----	Residential	8.67 acres	----

COMPARABLE LAND SALES MAP



The respective sale prices of the comparables are adjusted quantitatively, if adequate market data exists from which to derive the adjustments. In this case, the subject and comparables are evaluated and ranked qualitatively using a bracketing approach based upon elements of comparison in order to

derive an indication of market value. The unit value is price per square foot, consistent with the market.

The elements of comparison include property rights transferred, financing, market conditions (time), conditions of sale/buyer expenditures, and physical characteristics (location, size, site utility, zoning, etc.). The comparable discussion below focuses on highlighting the most significant differences between the subject and comparable. Elements of comparison that were deemed similar between the subject and comparables were considered in the analysis but not typically discussed below. The comparable sales consist of fee simple transfers with no conditions of sale or financing terms indicated that had an impact on the prices paid except where noted in the following discussion. Additional comparisons between subject and comparables are discussed in the following paragraphs.

Comparable Land Sale No. 1 is the sale of 2.61-acre parcel located on Happy Hollow Lane in Boulder Creek. Happy Hollow Lane is located off Harmon Gulch Road which is located west of Bear Creek Road. Happy Hollow Lane is a one lane unimproved road. This comparable sold March 21, 2012 for \$173,000 or \$1.52 per square foot. This area is very wooded with steep terrain. There are houses sparsely scattered along Harmon Gulch Road. Well and septic is required in this area as well as propane. While this comparable is buildable, it is very unlikely due to the steep terrain and the cost that would be associated with leveling the site.

Overall, this comparable is superior due to the fact it is possible that the lot can be developed, however, due to the extreme costs associated with making it a buildable lot, it is unlikely that this will occur in the near future. This comparable is included to show the high end of the range and indicates a value below \$1.52 per square foot for the subject property.

Comparable Land Sale No. 2 is a 0.11-acre parcel located on Walnut Avenue in Felton. This comparable sold for \$2,500 or \$0.52 per square foot. This piece of property is unbuildable due to the steep terrain and lack of utilities in the area. There is no development around this site.

Overall, this is a good comparable for the subject property as it sold on the open market and was not purchased by an adjacent user with no atypical buyer motivation. This comparable indicates a value near \$0.52 per square foot for the subject property.

Comparable Land Sale No. 3 is the sale of a 0.09-acre parcel located on Redwood Drive in Aptos. Redwood Drive is a narrow, paved one lane road. This comparable is rectangle in shape and zoned residential. It sold February 21, 2012 for \$5,000 or \$1.28 per square foot. This property was unbuildable due to the small size, slope and inability for a septic system on the site. The buyer was an adjacent owner who purchased the property for more land.

This comparable is much smaller in size. Overall, it is superior due to its location in Aptos in a superior neighborhood as well as buyer motivation by the adjacent property owner, indicating a value below \$1.28 per square foot for the subject property.

Comparable Land Sale No. 4 is the sale of a 0.38-acre parcel located on Blackstone Drive in Boulder Creek. This parcel is irregular in shape and zoned residential. This property sold December 14, 2011 for \$26,500 or \$1.60 per square foot. This comparable is located in a residential neighborhood with large scale homes and is a corner lot with great views. A portion of the property is level; however the county requires the parcel to be one acre in order to build. The adjacent property owner purchased this property to expand his property.

Overall, this comparable is superior due to the location in a nice neighborhood with excellent views. Additionally, the adjacent property owner purchased this property to expand his property, indicating there may have been some buyer motivation. This comparable indicates a value well below \$1.60 per square foot for the subject property.

Additional Market Data. In conducting our research, we came across one listing of an unbuildable residential lot located on Glen Canyon in Scotts Valley. This parcel is 0.27-acres and is located close to the Mystery Spot and Santa Cruz. The broker stated this property is unbuildable to the size and that there are no utilities available to the site. The property has rolling terrain. The property has been on the market for a few months at an asking price of \$4,999 or \$0.42 per square foot. There have been no offers or interest to date.

The comparable observed range from \$0.52 to \$1.60 per square foot, as shown in the following table.

Comp No.	Subject Value Less Than/ Greater Than	Sale Price Per SF	Sale Date	Parcel Size (Acres)
LS-4	<	\$1.60	12/11	0.38
LS-1	<	\$1.52	3/12	2.61
LS-3	<	\$1.28	2/12	0.09
<i>Subject property range between \$0.52 to \$1.28 per square foot</i>				
LS-2	≈	\$0.52	3/12	0.11

The subject property is bracketed between Comparable Land Sale Nos. 2 (\$0.52/SF) and 3 (\$1.28/SF). Comparable Land Sale No. 3 is a non buildable parcel due to its small size and very steep terrain. This comparable is considered superior due to its location in Aptos in a neighborhood of mountain residential homes as well as having some buyer motivation (adjacent property owner purchased the site). Comparable Land Sale No. 2 is the best comparable for the subject. This lot is unbuildable due to its size, very steep terrain and lack of utilities. Additionally, this lot was not purchased by an adjacent user so it does not have any buyer motivation associated with it like the other comparables.

Based on the foregoing analysis, and considering the characteristics of the subject property, we conclude with a value of \$0.55 per square foot for the subject property for the zone that is undevelopable.

Market Value Estimate (Land Only)

Not applicable as we are only valuing the zone of value that is applicable to the proposed easement area, not the entire larger parcel.

Value of Proposed Acquisition

The value of the portion of land and improvements, required for the project, is their contributory value to the larger parcel. This includes land (fee, all easements, except TCE's) and improvements located in the area of the acquisition. There are no improvements located in the proposed easement area.

The value of the portions of property being acquired is their contributory value as part of the larger parcel. The easement area consists of a total of 11,326± square feet or 0.26± acres. The imposition of the drainage easement is estimated as minimally limiting the owner's right and use by 25% of the underlying fee value.

Market Value of the Partial Acquisition:

Land			
	Easement- 11,326± SF X \$0.55/SF X 25%	=	\$ 1,557
	Round		\$ 1,600

This concludes the report.

Project: Minto Place Apartments and Minto Road Improvement Plan
Parcel No.: 051-091-03

VIII. APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased and professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.
11. I have not made a personal inspection of the property that is the subject of this report.
12. I have not revealed the findings and results of this appraisal to anyone other than the proper officials of the client and I will not do so unless and until authorized by the client, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
13. Such appraisal has been made in conformity with the appropriate California laws, Title VI of the 1964 Civil Rights Act, and regulations, policies, and procedures

applicable to appraisal of right of way.

14. To the best of my knowledge, no portion of the value of the property appraised consists of items which are non-compensable under the established laws of California.
15. Joe Zapata and Lisa Besso provided assistance to the undersigned in the preparation of this report.
16. My opinion of the total fair market value of the appraised property identified in this report was derived without collusion, coercion or direction as to value.
17. We have not provided any services on this property within the last three years.

David B. Wraa, MAI
California Certified General
Real Estate Appraiser
Certificate No. AG023713

ADDENDA:

ITEM 1

SUBJECT PROPERTY PHOTOGRAPHS

SUBJECT PROPERTY PHOTOGRAPHS



View facing north east



View facing north from street (Minto Road)

SUBJECT PROPERTY PHOTOGRAPHS



Street view facing east on Minto Road



Street view facing west on Minto Road

ITEM 2
COMPARABLE SALES DATA AND MAPS

Land Sale No. 1

Property Identification

Record ID 2665
Property Type Residential, Special Use
Property Name Vacant
Address Happy Hollow, Boulder Creek, Santa Cruz County, California 95006
Tax ID 089-431-35-000

Sale Data

Grantor Charles Egan
Grantee Micheal Puente
Sale Date March 21, 2012
Deed Book/Page 13871
Financing All cash
Verification Confirmed by Joe Zapata

Sale Price \$173,000

Land Data

Zoning Special Use
Utilities None Seen

Land Size Information

Gross Land Size 2.610 Acres or 113,692 SF
Front Footage 83 ft Timberwood

Indicators

Sale Price/Gross Acre \$66,284
Sale Price/Gross SF \$1.52

Remarks

This 2.61-acre unbuildable property located on Timberland (Happy Hollow) Road in Boulder Creek, Santa Cruz County, sold on March 21, 2012 for \$173,000 or \$1.52 per sf. The buyer paid all cash. This is a residential property. The confirming source believes the sale to be at market rate. The property is accessible from a private unpaved one lane road. No utilities were seen. There were several campers and mobile homes located on the surrounding properties. The terrain is sloping with a large area which was recently graded level. This information was confirmed through a party familiar with this transaction, by Joe Zapata.

Land Sale No. 2

Property Identification

Record ID 2666
Property Type Residential, Special Use
Property Name Vacant
Address Walnut Ave., Boulder Creek, Santa Cruz County, California 95018
Tax ID 092-234-08-000

Sale Data

Grantor Marken Ent.
Grantee Heidi Gallvan
Sale Date March 16, 2012
Deed Book/Page 13087
Financing all Cash

Sale Price \$2,500

Land Data

Zoning Special Use
Topography Sloping
Utilities None Seen
Shape Irregular

Land Size Information

Gross Land Size 0.110 Acres or 4,792 SF
Front Footage 32 ft Walnut Ave

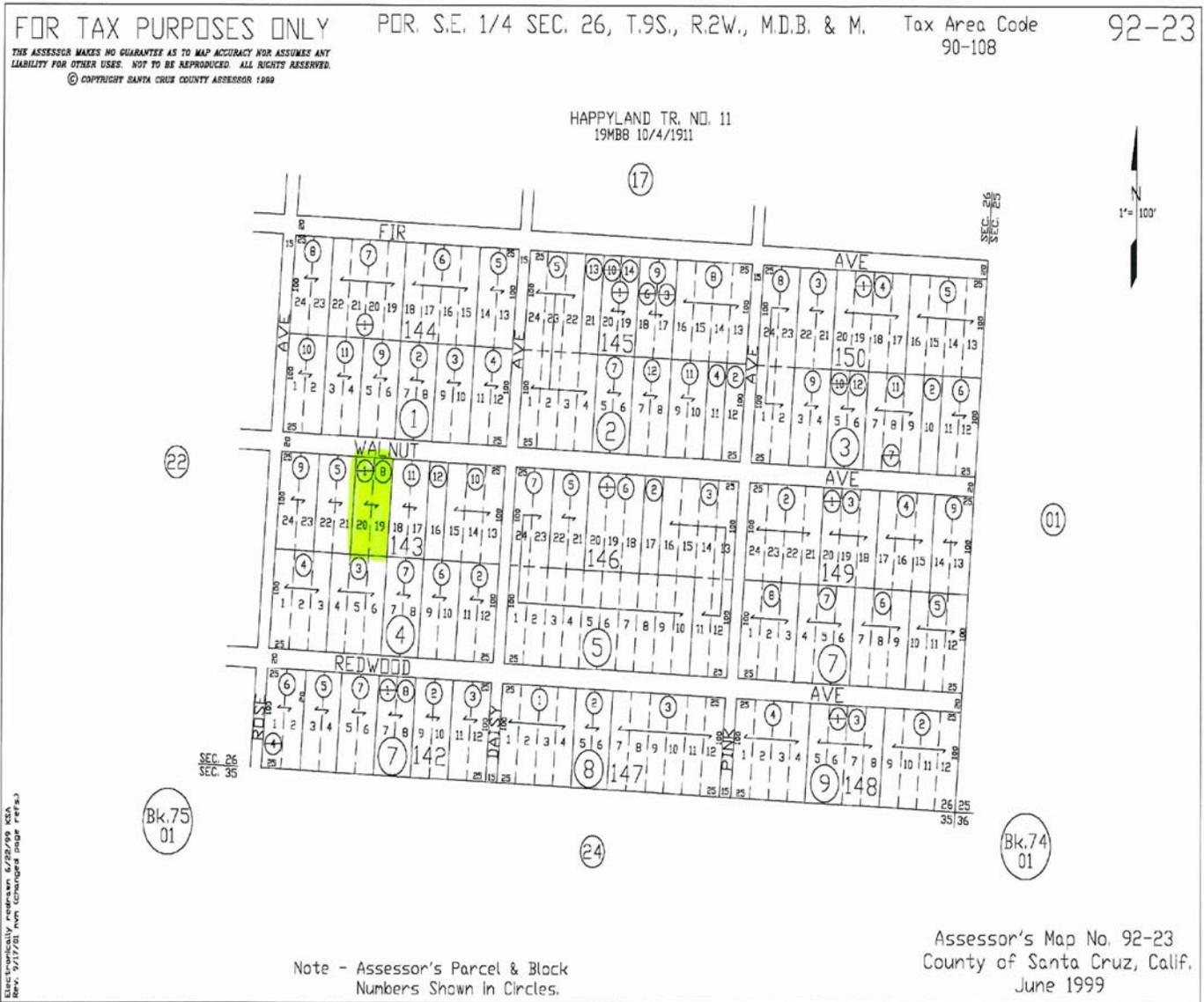
Indicators

Sale Price/Gross Acre \$22,727
Sale Price/Gross SF \$0.52

Remarks

This .11-acre unbuildable property located on Walnut Avenue in Felton, Santa Cruz County, sold on March 16, 2012 for \$2,500 or \$.52 per sf. The buyer paid all cash. This is a special use property. The property is accessible from a private unpaved one lane road. Utilities were present at street level. There were several homes located on the surrounding properties. The terrain is at an extreme slope with no flat areas. This information was confirmed by the Santa Cruz county assessor by Joe Zapata.

COMPARABLE LAND SALE NO. 2 PARCEL MAP



Land Sale No. 3

Property Identification

Record ID 2667
Property Type Residential, Residential, Single Family
Property Name Vacant
Address Redwood Drive, Aptos, Santa Cruz County, California 95003
Tax ID 105-102-07-000

Sale Data

Grantor Marissa Ceralde
Grantee Margaret Swedberg
Sale Date February 21, 2012
Deed Book/Page 8336
Financing All Cash
Verification Margaret Swedburg; 831-688-4357

Sale Price \$5,000

Land Data

Zoning R1
Topography Sloping
Shape Rectangular

Land Size Information

Gross Land Size 0.090 Acres or 3,920 SF
Front Footage 41 ft Redwood

Indicators

Sale Price/Gross Acre \$55,556
Sale Price/Gross SF \$1.28

Remarks

This .09-acre unbuildable property located on Redwood Drive in Aptos, Santa Cruz County, sold on February 21, 2012 for \$2,000 or \$1.28 per sf. The buyer paid all cash and felt the purchase was at current market rates. The buyer owns the adjacent property. This is a mountain residential property that is accessible from a paved one lane road. Utilities were present at street level. There were several homes located on the surrounding properties. The terrain is at an extreme slope with no flat areas. This comparable was confirmed by the buyer Margaret Swedberg, by Joe Zapata.

COMPARABLE LAND SALE NO. 3 PARCEL MAP

FOR TAX PURPOSES ONLY

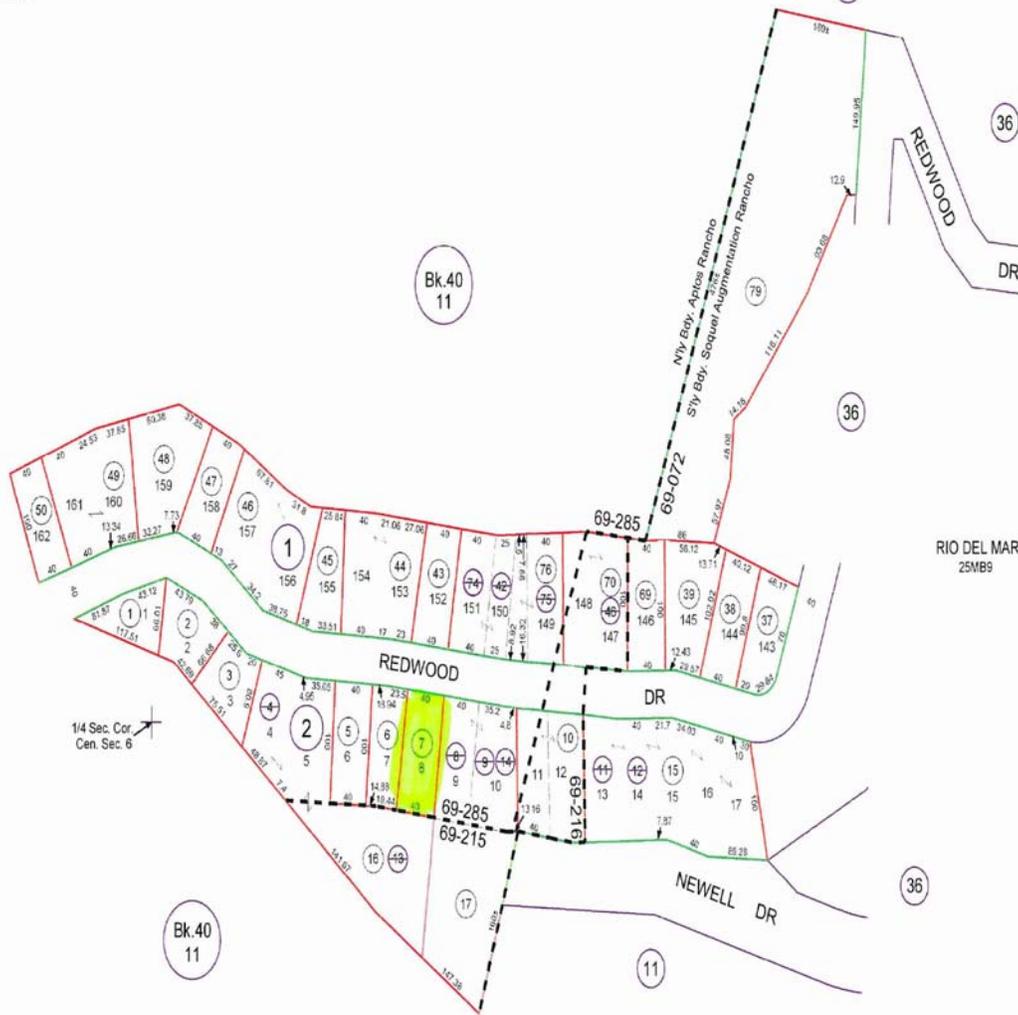
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SOQUEL AUGMENTATION & APTOS RANCHO'S

POR. SEC. 6, T.11S., R.1E., M.D.B. & M.

Tax Area Code
 69-072 69-215
 69-216 69-285

105-10



Land Sale No. 4

Property Identification

Record ID 2664
Property Type Residential, Residential, Single Family
Property Name Vacant
Address Blackstone Drive, Boulder Creek, Solano County, California 95006
Tax ID 082-212-10-000

Sale Data

Grantor Lesly Mallory
Grantee david Sandry & Jennifer Bonnet
Sale Date December 14, 2011
Deed Book/Page 52254
Conditions of Sale Buyer lives next door
Financing Cash
Verification Debbie Donner; 408-395-5754

Sale Price \$26,500

Land Data

Zoning R-1 (Single Family Residential)
Topography Sloping
Utilities At Street
Shape irregular

Land Size Information

Gross Land Size 0.380 Acres or 16,553 SF
Front Footage 240 ft Blackstone

Indicators

Sale Price/Gross Acre \$69,737
Sale Price/Gross SF \$1.60

Remarks

This .38-acre unbuildable property located on Blackstone Road in Boulder Creek, Sant Cruz County, sold on December 11, 2011 for \$26,500 or \$1.60 per sf. The buyer paid all cash. This is a residential property that was bought by the next door neighbor. The seller was hoping to build a home but was unable to get zoning approval. The seller's broker believes the sale was at market rate. The property is accessible from a paved two lane road with utilities available at the street level. The terrain is sloping with a small area of level terrain. This information was confirmed through Deborah Donner Selling Agent, by Joe Zapata.

ITEM 3
APPRAISER'S QUALIFICATIONS

**PROFESSIONAL QUALIFICATIONS OF
DAVID B. WRAA, MAI**

(Principal in the firm of Bender Rosenthal, Inc.)

PROFESSIONAL EXPERIENCE

David B. Wraa, MAI has been involved in real estate appraising and consulting since 1989. His professional experience in real estate appraisal encompasses a broad range of property types that include industrial, office, retail, multi-family, mobile home parks, self storage facilities, elderly housing, condemnation, right-of-way, residential subdivisions, theaters, schools, marinas, and various agricultural/rural residential property types. He is a member of the Appraisal Institute with the MAI designation, a Certified General Real Estate Appraiser in the State of California, and a member of the Sacramento Estate Planning Council.

Mr. Wraa is the President of the Sacramento-Sierra Chapter of the Appraisal Institute, current Regional Representative, as well as the past Vice President, Education Chair and Secretary Treasurer for the chapter.

Prior to his career in real estate, Mr. Wraa attended UC Davis, majoring in Agricultural Science and Management (Bachelor of Science degree). Upon graduation, he immediately entered the appraisal field with a specialty in wineries and vineyards (1989-1995). Mr. Wraa also has a diverse commercial background appraising various property types throughout the Bay Area and Sacramento regions since 1995.

REPRESENTATIVE VALUATIONS INCLUDE

Industrial – Existing and proposed industrial properties including distribution warehouses, storage warehouses, light industrial/manufacturing and research and development properties.

Office - Existing and proposed office developments for lending institutions and owners.

Retail - Proposed and existing shopping centers, free standing buildings, mixed-use buildings, and restaurants.

Multi-Family Residential - Existing and proposed apartment complexes, condominiums, and loft projects in the Sacramento Metropolitan Area and Bay Area.

Medical - Existing and proposed medical clinics and dental offices.

Elderly Housing – Existing and proposed congregate care and residential care facilities throughout the Bay Area and Central Valley.

Residential Developments - Proposed and existing residential subdivisions throughout the Bay Area and Central Valley.

Agricultural – Vineyards, wineries, orchards, field/row crop land, and rural residential properties.

Special Use Properties – Special use properties include theaters throughout Northern California, schools in the Bay Area and Sacramento regions, marinas in the Sacramento MSA and Delta region.

Land - Various types of land appraised such as commercial land, retail pad sites, residential land, transitional land, and agricultural/rural residential land.

Eminent Domain - Improved and unimproved properties involving full and partial takings for municipalities, quasi-public companies, developers, and property owners.

Litigation – Valuations performed on various property types for eminent domain, arbitration, and divorce cases.

PROFESSIONAL AFFILIATIONS

Appraisal Institute (MAI, #11903), Current Member, President of Sacramento-Sierra Chapter
Sacramento Estate Planning Council, Current Member

Advice 4081-E
July 2, 2012

Attachment 4
Draft Mitigated Negative Declaration

COUNTY OF SANTA CRUZ

0657



PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
 (831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123
 TOM BURNS, PLANNING DIRECTOR

NOTICE OF ENVIRONMENTAL REVIEW PERIOD

SANTA CRUZ COUNTY

APPLICANT: County of Santa Cruz, for MP Minto Associates LP

APPLICATION NO.: 07-0322

APN: 051-511-35

The Environmental Coordinator has reviewed the Initial Study for your application and made the following preliminary determination:

- Negative Declaration
 (Your project will not have a significant impact on the environment.)
- Mitigations will be attached to the Negative Declaration.
- No mitigations will be attached.
- Environmental Impact Report
 (Your project may have a significant effect on the environment. An EIR must be prepared to address the potential impacts.)

As part of the environmental review process required by the California Environmental Quality Act (CEQA), this is your opportunity to respond to the preliminary determination before it is finalized. Please contact Matt Johnston, Environmental Coordinator at (831) 454-3201, if you wish to comment on the preliminary determination. Written comments will be received until 5:00 p.m. on the last day of the review period.

Review Period Ends: **April 1, 2008**

Todd Sexauer
 Staff Planner

Phone: 454-3511

Date: February 27, 2008

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**Environmental Review
Initial Study**

Application Number: **07-0322**

Date: April 15, 2008
Staff Planner: Todd Sexauer

I. OVERVIEW AND ENVIRONMENTAL DETERMINATION

APPLICANT: County of Santa Cruz **APN:** 051-511-35

OWNER: MP Minto Associates LP **SUPERVISORAL DISTRICT:** 4

LOCATION: The proposed project is located on the north side of Minto Road at its intersection with Meidl Avenue, east of Green Valley Road in the Pajaro Valley planning area of unincorporated Santa Cruz County, California (see Figures 1 and 2).

SUMMARY PROJECT DESCRIPTION:

The project proposes a General Plan amendment, zone change, Riparian Exception, and Planned Unit Development (PUD) allowing a maximum development density of 20 dwelling units per usable acre on the project site. The project also proposes a Local Agency Formation Commission (LAFCo) annexation for extraterritorial water service from the City of Watsonville Public Works and Utilities Department. The PUD would also require any development proposal on the parcel to provide a minimum of forty percent of the total number of units as affordable. Following project approval, future development of the project site would be by-right in that the use and density for the site would not be discretionary. The site contains a maximum of 4.41 usable acres equating to a maximum of 88 dwelling units. The remaining 2.58 acres would provide open space to protect onsite wetland and riparian areas, provide for a commercial agricultural buffer, and buffer against electromagnetic frequencies (EMF) emitted by the onsite 115kV PG&E power line. The project would rezone the parcel and amend the General Plan from "Single-Family Residential - 10,000 square foot minimum parcel size (R-1-10)" and "Urban Low Residential (R-UL)" to "Multi-Family Residential - 2,000 square foot minimum parcel size, Regional Housing Need Site (RM-2-R) and Parks, Recreation and Open Space (PR)" zone districts with "Residential - Urban High (R-UH) /Urban Open Space Lands (O-U)" general plan designations, and a PUD.

ALL OF THE FOLLOWING POTENTIAL ENVIRONMENTAL IMPACTS ARE EVALUATED IN THIS INITIAL STUDY. CATEGORIES THAT ARE MARKED HAVE BEEN ANALYZED IN GREATER DETAIL BASED ON PROJECT SPECIFIC INFORMATION.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Geology/Soils | <input checked="" type="checkbox"/> Noise |
| <input checked="" type="checkbox"/> Hydrology/Water Supply/Water Quality | <input checked="" type="checkbox"/> Air Quality |

- | | |
|---|--|
| <input checked="" type="checkbox"/> Biological Resources | <input checked="" type="checkbox"/> Public Services & Utilities |
| <input type="checkbox"/> Energy & Natural Resources | <input checked="" type="checkbox"/> Land Use, Population & Housing |
| <input checked="" type="checkbox"/> Visual Resources & Aesthetics | <input checked="" type="checkbox"/> Cumulative Impacts |
| <input checked="" type="checkbox"/> Cultural Resources | <input type="checkbox"/> Growth Inducement |
| <input checked="" type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Mandatory Findings of Significance |
| <input checked="" type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> |

DISCRETIONARY APPROVAL(S) BEING CONSIDERED

- | | |
|--|--|
| <input checked="" type="checkbox"/> General Plan Amendment | <input checked="" type="checkbox"/> Grading Permit |
| <input type="checkbox"/> Land Division | <input checked="" type="checkbox"/> Riparian Exception |
| <input checked="" type="checkbox"/> Rezoning | <input checked="" type="checkbox"/> Planned Unit Development |
| <input checked="" type="checkbox"/> Development Permit | <input checked="" type="checkbox"/> Other: LAFCo Annexation |
| <input type="checkbox"/> Coastal Development Permit | <input type="checkbox"/> |

NON-LOCAL APPROVALS

Other agencies that must issue permits or authorizations:

1. California Department of Fish and Game – Section 1602 Streambed Alteration Agreement
2. U.S. Army Corps of Engineers – Section 404 Nationwide Permit
3. Regional Water Quality Control Board – Section 401 Water Quality Certification
4. City of Watsonville, Department of Public Works – Water Supply

ENVIRONMENTAL REVIEW ACTION

On the basis of this Initial Study and supporting documents:

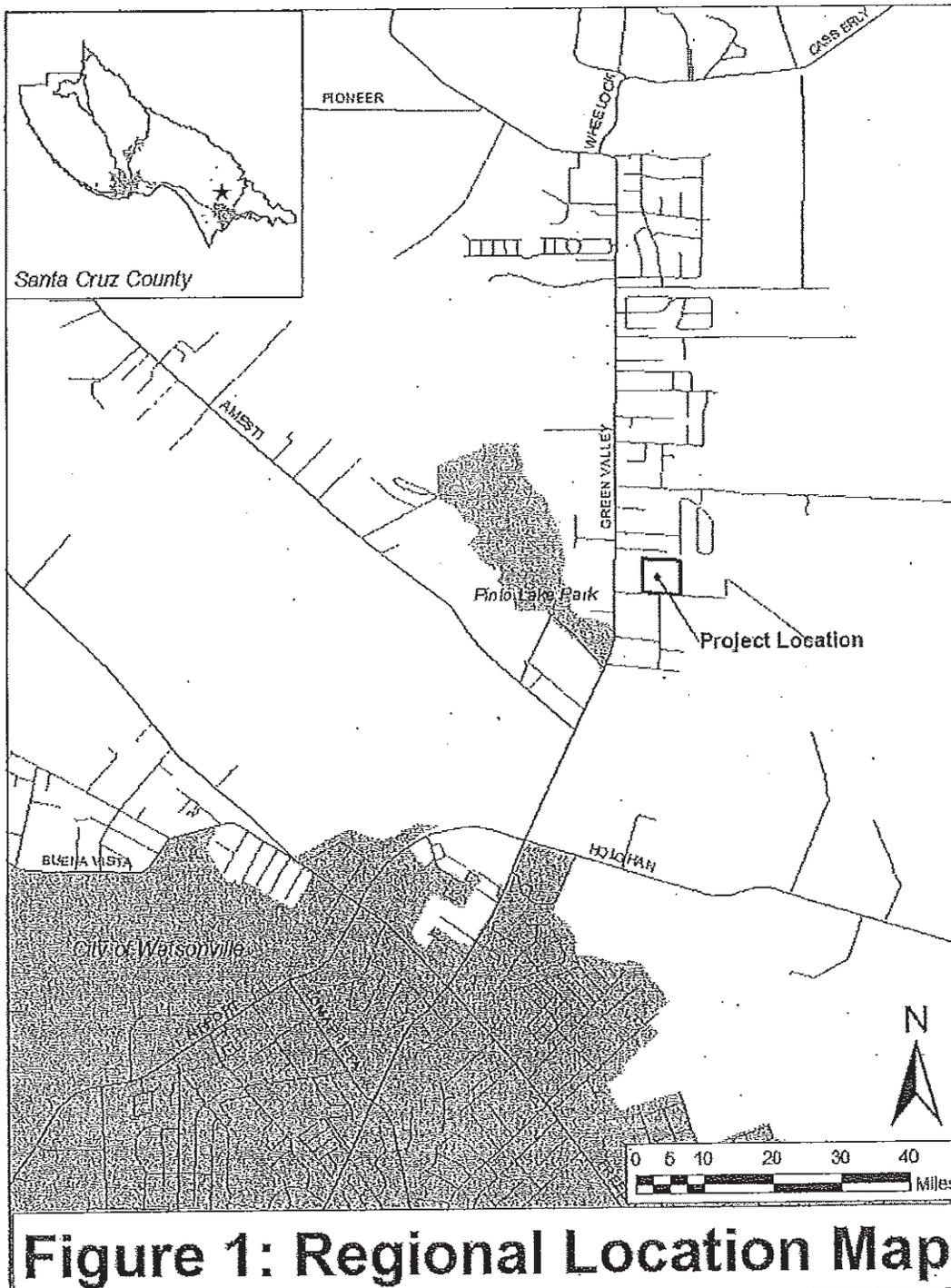
I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the attached mitigation measures have been added to the project. A MITIGATED NEGATIVE DECLARATION will be prepared.

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

Matt Johnston

Date

For: Claudia Slater
Environmental Coordinator



Map Created by County of Santa Cruz Planning Department, January 2008

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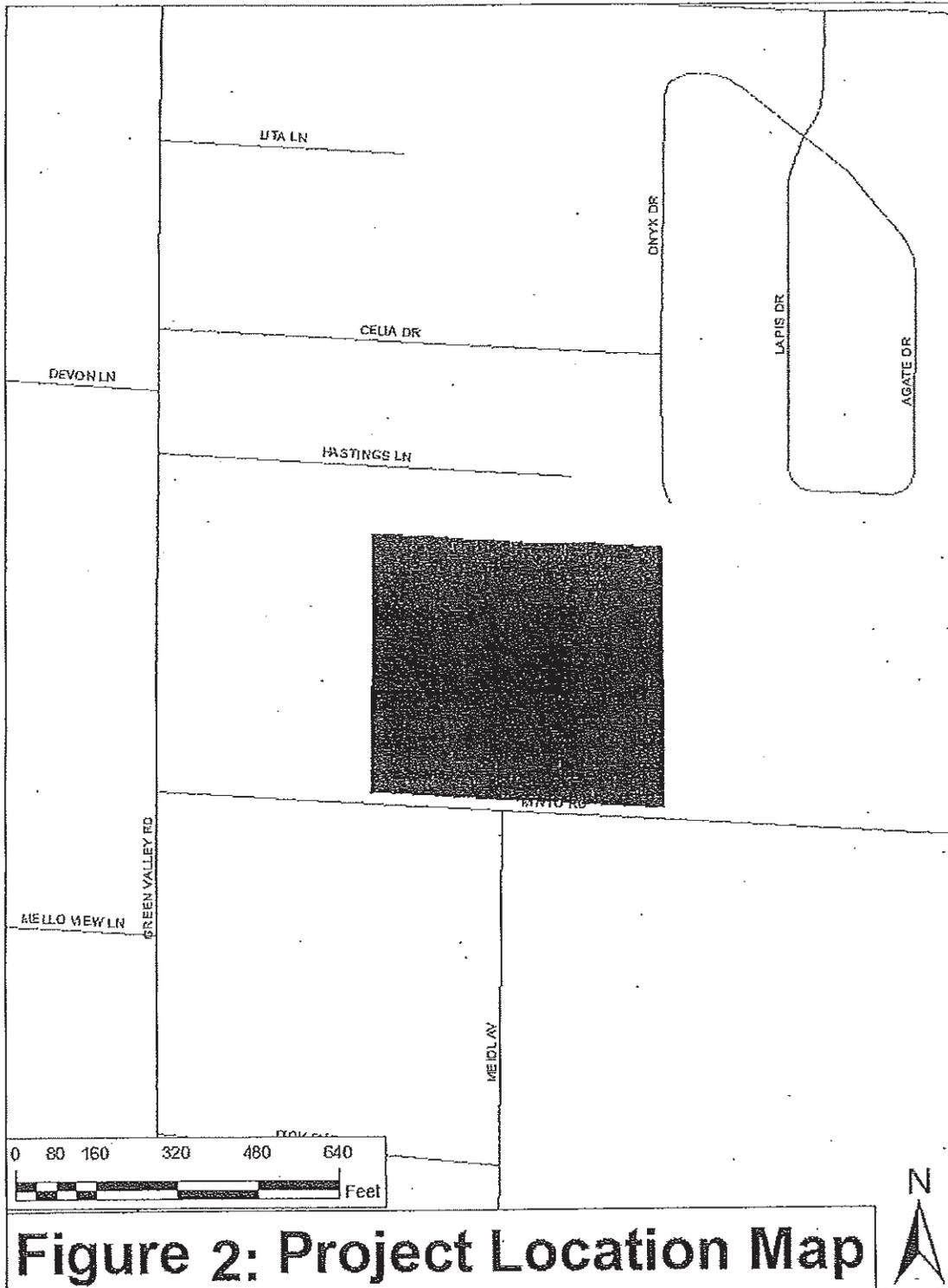


Figure 2: Project Location Map

Map Created by County of Santa Cruz Planning Department, January 2008

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II. BACKGROUND INFORMATION

EXISTING SITE CONDITIONS

Parcel Size: 6.9 acres

Existing Land Use: Residential and PG&E Substation

Vegetation: Non-native grassland and riparian wetland (riparian wetland to remain in open space)

Slope in area affected by project: 0 - 30% 31 - 100%

Nearby Watercourse: Stream 489

Distance To: Located along eastern parcel boundary.

ENVIRONMENTAL RESOURCES AND CONSTRAINTS

Groundwater Supply: Not mapped

Water Supply Watershed: Not mapped

Groundwater Recharge: Not mapped

Timber or Mineral: Not mapped

Agricultural Resource: Not mapped

Biologically Sensitive Habitat: Yes

Fire Hazard: Not mapped

Floodplain: Not mapped

Erosion: Not mapped

Landslide: Not mapped

Liquefaction: Potential

Fault Zone: Yes

Scenic Corridor: Not mapped

Historic: Not mapped

Archaeology: Potential

Noise Constraint: Not mapped

Electric Power Lines: Yes

Solar Access: Adequate

Solar Orientation: Adequate

Hazardous Materials: Potential

SERVICES

Fire Protection: Pajaro Valley Fire Protection District

School District: Pajaro Valley Unified School District

Sewage Disposal: Freedom County Sanitation District

Drainage District: Zone 7 Flood Control District

Project Access: Minto Road (off Green Valley Road); County Maintained Road

Water Supply: City of Watsonville Public Works & Utilities Department

PLANNING POLICIES

Zone District: R-1-10

General Plan: Urban Low Residential

Urban Services Line: Inside Outside

Coastal Zone: Inside Outside

Special Designation:

PROJECT SETTING AND BACKGROUND:

The 6.9-acre project site is located on the north side of Minto Road at its intersection with Meidl Avenue, east of Green Valley Road in the Pajaro Valley planning area (see Figures 1 and 2). It is currently an undeveloped site that was formerly used as an apple orchard. There are currently no structures on the site.

The site is distinguished by level to gently sloping terrain and is traversed by a swale that runs along the eastern edge of the property. Average slope in the swale area is approximately 15 percent. The northern, southern, and western boundaries of the site

are adjacent to residential housing and the eastern edge of the site borders a PG&E substation.

Primary vehicular access to the project site is from the south via Minto Road and Green Valley Road. Minto Road is paved with curb and gutter along portions of the project frontage. No sidewalks are present in the project area. The current road width is non-standard.

The project site is within the unincorporated County of Santa Cruz Pajaro Valley planning area. It is within the City of Watsonville's Planning Area Boundary, but not within the City's sphere of influence. The site is also located within the Freedom County Sanitation District and water is supplied by the City of Watsonville.

The predominant land uses surrounding the project site are urban, low-density single-family residential and agriculture. Two unincorporated subdivisions border the property to the north on Hastings Lane and to the south on Minto Road and Dick Phelps Road. The properties to the north, south and west contain single-family residential uses, with heavy industrial (PG&E substation) located to the east. Commercial agriculture uses dominate the area immediately east of the substation (EMC Planning Group, Inc. 1991).

DETAILED PROJECT DESCRIPTION:

The project proposes a General Plan amendment, zone change, a Riparian Exception, and PUD requiring a development density of 20 dwelling units per usable acre on the project site. The PUD would also require any development proposal on the parcel to provide a minimum of 40-percent of the total number of units as affordable. The project also proposes a LAFCo annexation for extraterritorial water service from the City of Watsonville Public Works and Utilities Department. Following project approval, future development of the project site would be by-right in that the use and density for the site would not be discretionary. A Tentative Map approval may be requested as part of the development application but is not required. The 6.9-acre project site contains 4.41 usable acres equating to a maximum of 88 dwelling units. The remaining 2.58 acres would provide open space to protect onsite wetland and riparian areas, provide for a commercial agricultural buffer, and buffer against EMF emitted by the onsite 115kV PG&E power line. The area within the EMF buffer located west of the riparian buffer would be developed for parking.

The project would rezone the parcel and amend the General Plan to include General Plan Policy 2.10.6 as follows:

Pajaro Valley: Minto Road Housing Site

The Minto Road Housing Site (APN 051-511-35) is designated as Urban High Density Residential--20 units per developable acre, with a minimum 2,000 square feet of developable land per unit density, and Urban Open Space along the easterly property line, and is one of the sites selected by the County for the purpose of meeting the Regional Housing Need, as required by State law. This site shall be developed in accordance with an adopted PUD and subject to a Level VII design permit.

The changes are described in Table 1 below. Figure 3 also shows the proposed land use changes.

According to County Code Chapter 17.10.030(b)(1), a minimum of 15-percent of the 88 units (13) must be affordable. A fractional in lieu fee of 20 percent of the fee in effect at the time a building permit is submitted would be required for 0.125 of a unit.

The PUD would add an additional affordable housing requirement of 25 percent of the 88 units (22) to future development of the proposed project site, bringing the total to forty percent. Units meeting the 25 percent requirement would be considered "Enhanced Affordable" units. (For definitions of enhanced low, affordable and moderate, see County Code Chapter 17.10.020) The Enhanced Affordable Units would have a maximum allowable sales price limited to be affordable to Enhanced Moderate income households unless otherwise required to be affordable at a lower income level. In addition, the Enhanced Affordable units would have a maximum allowable rental price that would be affordable to Enhanced Low income households unless otherwise required to be affordable at a lower income level. Affordable units would also be allowed to average 0.5 less bedrooms than the average number of bedrooms in the market rate units. In addition, all affordable units would not be less than 70-percent of the average size of the market rate units, unless a smaller unit size is allowed by the decision-making body at the time of project approval and with the written findings that a smaller size would provide housing units compatible with the remainder of the development, and that a larger unit size would impose a financial hardship on the project developer. All affordable units would be constructed on site and clustered if desired. Where garages are provided for market-rate units, garages would not be required for affordable units. See the attached PUD in Appendix A for the complete text.

	Existing	Proposed
Zoning District	Single-Family Residential - 10,000 square foot minimum parcel size (R-1-10)	Multi-Family Residential – 2,000 square foot minimum parcel size and Regional Housing Need Site (RM-2-R) and Parks, Recreation and Open Space (PR)
General Plan Land Use Designation	Urban Low Residential (R-UL)	Residential - Urban High (R-UH)/Urban Open Space Lands (O-U)
General Plan Density and Minimum Parcel Size	R-UL allows 4.4 to 7.2 units per net developable acre with a 6,000 to 10,000 square foot lot size requirement	R-UH would be amended to allow 20 units per net developable acre with a 2,000 square foot lot size requirement
General Plan Circulation Element	Figure 3-19 of the Circulation Element does not include the signalization of Green Valley Road at Minto Road	The signalization of Green Valley Road at Minto Road would be added to Figure 3-19, Planned and Potential Signals
Planned Unit Development	No	Yes (See Appendix A)

Source: County of Santa Cruz, 2007.

Any future development proposal on the project site would be subject to Design Review and a public hearing limited to design issues only. No discretionary permit would be necessary for the density or use of the site. All requirements of the Site, Architectural

and Landscape Design Review (Chapter 13.11 of the County Code) or successor ordinance in effect at the time a Design Review Permit is deemed complete for processing would be applicable unless modified by the PUD. See the PUD contained in Appendix A for the complete text.

Improvements to Minto Road would be required by the County to bring it up to County standards: Improvements would consist of the following:

- Paved Road Width: 30 feet of pavement.
- Parking would be limited to the north side of Minto Road from the easterly corner of the commercial agricultural buffer on the southeast corner of the subject parcel to the eastern end of the parking lot located on APN 051-511-29. No Parking would be allowed on the south side of Minto Road west of Meidl Avenue. Appropriate signage would be installed by the Department of Public Works.
- Minor right-of-way acquisition may be required.
- Improvements: curbs, gutters and sidewalks would be installed on the north side of Minto Road from southeasterly corner of the site to the edge of the parking lot located on APN 051-511-29.
- Minto Road from Green Valley Road to approximately 75 feet west of the creek crossing would include drainage improvements to collect and pretreat roadway runoff prior to discharge into the riparian channel.
- Pedestrian and wheelchair access from the project site to the Metro stop at the corner of Minto Road and Green Valley Road would be installed as required by Title 24 and the Americans with Disabilities Act (ADA). Access to the corner would cross APN 051-511-29, and may consist of any combination of sidewalk (with curb and gutter), asphalt paving, striped pedestrian walkway, or other marked, accessible path negotiated by the developer and the property owner of APN 051-511-29.
- All utilities on the north side of Minto Road along the project frontage would be undergrounded and insulated.
- The main entrance to the project from Minto Road would be located at the intersection of Minto Road and Meidl Avenue.

The internal road or driveway improvements for the project would meet current standards depending on overall project layout (which is unknown at this time).

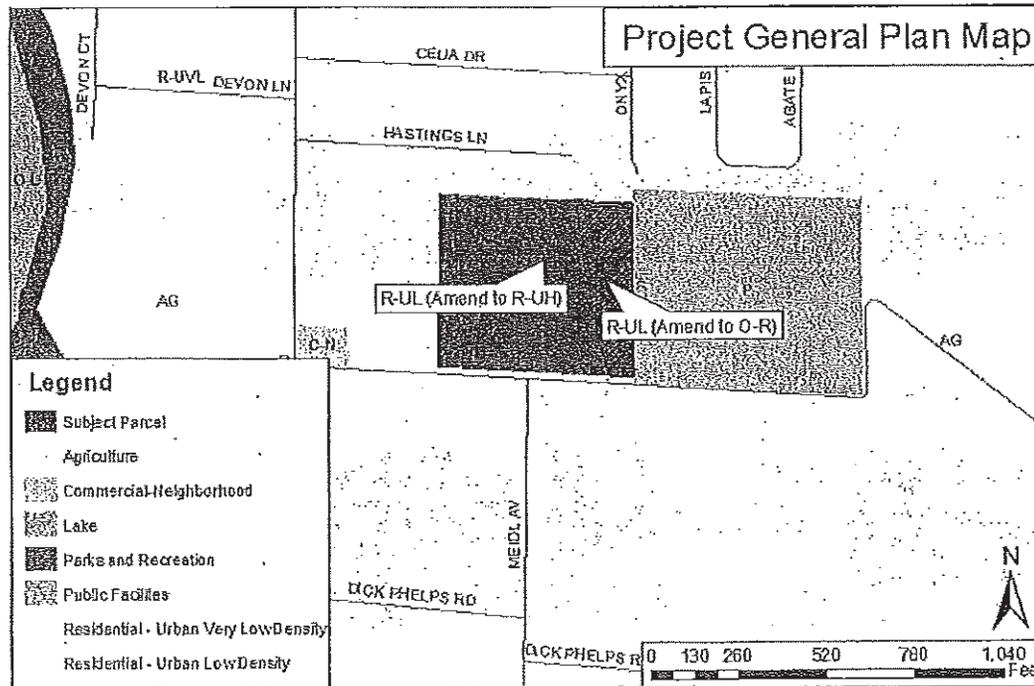


Figure 3: Proposed General Plan and Zone Changes

Map Created by County of Santa Cruz Planning Department, January 2008

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0670

A private sewer pump station would be located in the southeast corner of the project area just west of the wetland/riparian/ agricultural buffer. The pump would be sized to serve only the proposed project. A maintenance agreement would be required to be submitted to the sanitation district for review and approval.

The existing 30-inch diameter culvert providing drainage under Minto Road at County Stream 489 would be replaced in-kind, or resized as appropriate upon final project design. New wing-walls would be constructed as well to protect Minto Road from erosion during peak flows.

A crossing of Stream 489 would be allowed near the northern project boundary adjacent to the 25-foot PG&E transmission line easement. A culvert or bridge structure could be constructed at the crossing to accommodate pedestrian access to the eastern portion of the parcel across the stream.

Under the proposed PUD, a proposed project would be required to meet the following development standards:

Circulation and Parking Requirements

- Parking requirements: 1.5 spaces for studio and one bedroom units; 2.0 spaces for two bedroom units; 2.5 spaces for three bedroom units; and 3.0 spaces for four bedroom units. An additional 20 percent of the total number of parking spaces would be required to accommodate guest parking. Up to 175 feet of the Minto Road site frontage could be counted toward the guest-parking requirement as on-street parking.
- Circulation Requirements: All interior driveways would be a minimum of 20 feet in width. A minimum of 50-foot centerline radius turnaround on all access routes would be required.
- Access to Site: The main access to the site would be located opposite Meidl Avenue or in compliance with the standards contained with the adopted Design Criteria for the County of Santa Cruz. A second point of access on Minto Road that is acceptable to the County and the Pajaro Valley Fire Protection District (PVFPD) would be provided to serve emergency vehicles only. All points of access would be clearly marked, with any restrictions on access posted.
- Bicycle Storage: One lockable storage shed or lockable garage space would be provided for on site bicycle storage. The lockable storage area may be located within the storage area. At least one bicycle space would be provided for each dwelling unit.
- Accessibility: Development would have to meet accessibility requirements of Title 24 of the Building Code or successor code in effect at the time the building permit application is submitted. If public funding is acquired for the development, 100 percent of the units would have to be accessible to persons of limited mobility.

Requirements for Structures

- Height: Height of structures would not exceed 37 feet measured from preconstruction natural grade or finished grade, whichever is higher, to the highest point of the structure. Two story structures would be limited to 28 feet from preconstruction natural grade or finished grade, whichever is higher, to the highest point of the structure. All exceptions as specified in County Code Chapter 13.10.510(d)(2) or successor ordinance would apply.
- Number of Stories: A maximum of three (3) stories as defined by the County Code exclusive of subsurface parking would be allowed (except in those areas restricted to two stories due to potential impacts to community character).

Developable Area Requirements

- Site Standards: Lot Coverage Site Standards and Floor Area Ratio Site Standards are not applicable.
- Setbacks: The applicable minimum yard setbacks would be established from the perimeter of the property to the habitable structures and enclosed non-habitable structures in aggregate and are as follows:

Habitable Structures

1. Western Property Line: 15 feet. No deck over 18 inches above grade would be closer than 15 feet from the property line.
2. Southern Property Line: 20 feet.
3. East of the riparian area: 40 feet from the riparian corridor (as delineated by the Biotic Report prepared by H. T. Harvey dated 7/13/05) and 200 feet from commercial agricultural designated property.
4. Northern Property Line: 110 feet (EMF line; See the attached PUD in Appendix A).

Non-Habitable Structures

Carpools, garages, or other non-habitable structures could be located as follows:

1. Western Property Line: 15 feet
2. Southern Property Line: 20 feet
3. Eastern Property Line: East of the riparian area: 15 feet and outside the 40 foot riparian buffer west of the riparian area: 0 (zero) feet from the 40 foot riparian buffer and commercial agriculture setback
4. Northern Property Line: 25 feet (outside of the PG&E easement and with PG&E approval).
5. The lift station required by Section IV D (6) of the PUD is not subject to the property line setbacks, but must be located onsite outside the riparian buffer and the commercial agriculture setback noted on Exhibit A of the attached PUD in Appendix A.

- Riparian Area: A riparian buffer of 40 feet would be maintained, but the 10-foot additional riparian construction buffer would not apply.

Riparian Encroachment

1. A Riparian Exception would be granted by the PUD for the following improvements in the riparian area:

a) A pedestrian crossing of the riparian area in the northern 50 feet of the mapped riparian area (as delineated by the Biotic Report prepared by H.C. Harvey dated 7/15/05) would be allowed for the purpose of access to the eastern portion of the lot.

b) A "nature trail" could be placed along the eastern portion of the property outside of the mapped riparian area, but this area would not be used for habitable or non-habitable structures and would not count towards the developable acreage. The design would have to meet accessibility standards, and be submitted for review and approval to County Planning.

c) Drainage improvements required in sections V) B & C of the PUD, including construction of the weir and the culvert replacement at Minto Road, and drainage energy dissipaters.

Any additional construction activities in the designated riparian area would require an additional and separate Riparian Exception. Permits would also have to be obtained from the U.S. Army Corps of Engineers (USACE), California Department of Fish and Game, and Regional Water Quality Control Board for all riparian work.

- Open Space: Usable open space would be provided on site as specified by County Code Chapter 13.10.323 (f) or its successor ordinance. No active open space use (i.e. children's play equipment, picnic tables) would be allowed within the 110 foot EMF setback.

Design Standards

- Building Design: It is the objective of the building design that the basic architectural design principles of balance, harmony, order and unity prevail, while not excluding the opportunity for unique design.
- Bulk and Mass: To reduce the apparent bulk and mass of the development, efforts would be made to provide articulation and architectural features and provide a transition in height from the adjacent properties to the south and the west. This transition would be achieved by limiting the first row of structures along the southern and western property line frontages to two stories and a height of 28 feet.

Exception through Design Review

1. No building would have a dimension frontage greater than 120 feet in length unless it is determined by the Design Review process that a larger structure would achieve a proper design.

Animal Keeping.

- Any animal keeping activities would be limited to the keeping of no more than 20 small animals such as rabbits and fowl. Animal waste would have to be managed in such a way as to ensure that no contamination of the riparian area takes place, and would have to be disposed of off site.
- The owner of the site could request permission to keep additional small barnyard animals such as goats and sheep. Permission might be granted by the Planning Director after determining that the designated area provides sufficient space for additional animals, that these animals would not impact the adjacent riparian area, and that manure management would be adequate.

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable	0675
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C. Seismic-related ground failure, including liquefaction? _____ X _____

The project site is located approximately 2.9 miles southwest of the San Andreas fault zone, about 0.1 mile southwest of the Zayante fault zone. While the San Andreas fault is larger and considered more active, each fault is capable of generating moderate to severe ground shaking from a major earthquake. Consequently, large earthquakes can be expected in the future. However, fault rupture would not be a potential threat to the proposed development (Haro, Kasunich & Associates 2004). Based on the mapped depths to the groundwater table in the project area, the potential for liquefaction at the site during a strong earthquake is low (UPP Geotechnology, Inc.).

See "A(1)(A) above for appropriate mitigation.

D. Landslides? _____ X _____

The site contains minimal topographic relief (less than 15 percent slope). As a result, there is no indication that landsliding is a significant hazard at this site.

2. Subject people or improvements to damage from soil instability as a result of on- or off-site landslide, lateral spreading, to subsidence, liquefaction, or structural collapse? _____ X _____

There is a potential risk from severe ground shaking. The recommendations contained in Geology and Soils A(1)(A) will be implemented to mitigate for this potential hazard.

3. Develop land with a slope exceeding 30%? _____ X _____

There are no slopes that exceed 30 percent on the property.

4. Result in soil erosion or the substantial loss of topsoil? _____ X _____

Some potential for erosion exists during the construction phase of the project, however, this potential is minimal because best management practices and standard erosion control measures are a required condition of the project. Prior to approval of a grading or building permit, the project must have an approved Erosion Control Plan, which will specify detailed erosion and sedimentation control measures (County Code Chapter 16.22.060). The plan will include provisions for disturbed areas to be planted with groundcover and to be maintained to minimize surface erosion. No significant impacts are anticipated.

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0676 Not Applicable
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5. Be located on expansive soil, as defined in Section 1802.3.2 of the California Building Code (2007), creating substantial risks to property? _____ X _____

Expansive soils are anticipated within the project area. The recommendations contained in Geology and Soils A(1)(A) shall be implemented to adequately mitigate for this potential hazard.

6. Place sewage disposal systems in areas dependent upon soils incapable of adequately supporting the use of septic tanks, leach fields, or alternative waste water disposal systems? _____ X _____

No septic systems are proposed. The project would connect to the Freedom County Sanitation District, and the applicant shall be required to pay standard sewer connection and service fees that fund sanitation improvements within the District as a Condition of Approval for the project.

7. Result in coastal cliff erosion? _____ X _____

The project is not located in the coastal zone. No coastal cliff erosion would occur as a result of project implementation.

B. Hydrology, Water Supply and Water Quality

Does the project have the potential to:

1. Place development within a 100-year flood hazard area? _____ X _____

According to the Federal Emergency Management Agency (FEMA) National Flood Insurance Rate Map, dated March 2, 2006, no portion of the project site lies within a 100-year flood hazard area.

2. Place development within the floodway resulting in impedance or redirection of flood flows? _____ X _____

According to the FEMA National Flood Insurance Rate Map, dated March 2, 2006, no portion of the project site lies within a 100-year flood hazard area.

3. Be inundated by a seiche or tsunami? _____ X _____

The site is located at an elevation of approximately 100 to 120 feet above mean sea level approximately five miles from the coast. Therefore, impacts from tsunamis are not anticipated. Although the project site is located approximately one-quarter mile

Significant
Or
Potentially
Significant
Impact

Less than
Significant
with
Mitigation
Incorporation

Less than
Significant
Or
No Impact

Not
Applicable

0677

from Pinto Lake and College Lake, impacts from seiches are not anticipated.

4. Deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit, or a significant contribution to an existing net deficit in available supply, or a significant lowering of the local groundwater table?

X

Numerous studies conducted over the past 50 years have documented that the Pajaro Valley groundwater basin is in an overdraft condition, i.e., the amount of water withdrawn exceeds the amount of water replenishing the basin. Today, groundwater pumping provides approximately 69,000 acre-feet per year (AFY) toward the total Pajaro Valley Water Management Agency (PVWMA) area water demand of 71,500 AFY. Existing well data maintained by the United States Geological Survey (USGS) and the PVWMA indicate that areas of depressed groundwater levels are expanding in the Pajaro Valley groundwater aquifers and that the groundwater elevations regularly fall below sea level (PVWMA 2002).

Overdraft of the groundwater basin and seawater intrusion are problematic at the current level of water demand. Projected increases in urban and agricultural water use will cause further problems if this situation is not rectified. Urban water use has increased by 86 percent since 1964, and the current urban water use of 12,200 AFY is projected to increase an additional 32 percent (3,900 AFY) to approximately 16,100 AFY by the year 2040. If the current trend in cropping patterns continues towards more water intensive crops such as strawberries and raspberries, agricultural water use could increase from 59,300 AFY to 64,400 AFY by the year 2040 (PVWMA 2002).

To eliminate the overdraft conditions and seawater intrusion, water demand will be brought into balance with sustainable water supplies. This balancing of demand with sustainable supply will be accomplished through a combination of water conservation, modified pumping practices and development of new water sources (PVWMA 2002).

The goal of the PVWMA Basin Management Plan (BMP) is to meet the identified objectives for water quality, address regulatory issues, and develop reliable supplemental supplies at the lowest overall unit cost. In addition to the identified capital projects, conservation was selected for demand management. The PVWMA BMP consists of the following demand management policies and water supply projects:

- Coastal Distribution System;
- Conservation: 7-Year Plan (5,000 AFY);
- Harkins Slough Project with Harkins Slough Recharge Basin and Supplemental Wells Connection (1,100 AFY);
- Recycled Water Project (4,000 AFY); and

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable
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0678

54-inch Import Water Project with Aquifer Storage and Recovery (11,900 AFY)
(PVWMA 2002).

The proposed project would obtain water from City of Watsonville DPW, and would not rely on private well water. Although the project would incrementally increase water demand, the City of Watsonville DPW has indicated that adequate supplies are available to serve the project (Pers. Comm. Gayland Swain, City of Watsonville Utility Engineer, October 18, 2007). In addition, the project is not located in a mapped groundwater recharge area. As a result, no adverse impacts to groundwater would occur as a result of project implementation.

5. Degrade a public or private water supply? (Including the contribution of urban contaminants, nutrient enrichments, or other agricultural chemicals or seawater intrusion).

X

Runoff from this project may contain small amounts of chemicals and other household contaminants. No commercial or industrial activities are proposed that would contribute a significant amount of contaminants to a public or private water supply. The parking and driveway associated with the project, and improvements to Minto Road would incrementally contribute urban pollutants to the environment; however, the contribution would be minimal given the size of the driveway, parking area and Minto Road improvements. Potential siltation from the proposed project will be mitigated through implementation of an Erosion Control Plan (see Geology and Soils). Additionally, water quality treatment units, and a plan for maintenance, will be required for all parking, driveways, and roadways to reduce this impact to a less than significant level. The project would not contribute to seawater intrusion (see B-4 above for a complete discussion of that issue).

6. Degrade septic system functioning?

X

There is no indication that existing septic systems in the vicinity would be affected by the project.

7. Alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which could result in flooding, erosion, or siltation on or off-site?

X

The proposed project is located adjacent to an unnamed watercourse (County Stream 489). A 40-foot buffer would be established adjacent to the unnamed watercourse to protect it from disturbance both during and after construction. The proposed project would comply with Chapter 16.22.070 (Runoff Control) of the County Code. In addition to standard temporary and permanent best management practices (BMPs), the

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following measures shall be used for runoff control, and shall be adequate to control runoff from a 5-year storm:

- (a) Due to the presence of onsite soils that have low permeability (i.e., Watsonville loam and Pinto loam), onsite detention will be required. All runoff shall be detained or dispersed over non-erodible vegetated surfaces so that the runoff rate does not exceed the predevelopment level. Any policies and regulations for any drainage zones where the project is located will also apply.
- (b) Any concentrated runoff that cannot be effectively dispersed without causing erosion, shall be carried in non-erodible channels or conduits to the nearest drainage course designated for such purpose by the Planning Director or to on-site percolation devices. Where water will be discharged to natural ground or channels, appropriate energy dissipaters shall be installed to prevent erosion at the point of discharge.
- (c) Runoff from disturbed areas shall be detained or filtered by berms, vegetated filter strips, catch basins, or other means as necessary to prevent the escape of sediment from the disturbed area.
- (d) No earth or organic material shall be deposited or placed where it may be directly carried into a stream, marsh, slough, lagoon, or body of standing water.
- (e) In an effort to reduce runoff, techniques shall be required such as minimizing site disturbance, minimizing proposed impervious areas, utilizing pervious surfacing, eliminating directly connected impervious areas, and clustering development, etc.

Implementation of the above measures would reduce impacts to below a level of significance.

- 8. Create or contribute runoff which would exceed the capacity of existing or planned storm water drainage systems, or create additional source(s) of polluted runoff? _____ X _____

According to calculations performed by Mid-Coast Engineers (2005), the capacity of the 30-inch diameter culvert that crosses beneath Minto Road is 37.5 cubic feet per second (cfs). During a 10-year storm event, flows to the culvert were calculated at 40 cfs. As a result, the culvert in its current state may not accommodate either the pre-project or the post project run-off from a 5-year storm; and therefore, may not meet the County of Santa Cruz design standards for drainage structures. In addition, the culvert is partially blocked with vegetation and sediment further reducing its capacity.

With project implementation, flow is expected to increase at the culvert. However, installing a larger culvert that would accommodate the 5-year flow under Minto Road would potentially impact existing onsite wetlands due to increased flow, as well as potentially increasing scour downstream.

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable
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Under the proposed project, the existing 30-inch diameter corrugated metal culvert under Minto Road would be replaced with an upsized culvert that has the capacity to accommodate existing flows during a 5-year storm event. New headwalls and wingwalls would be constructed to protect the crossing from erosion. At the stream crossing, Minto Road would also be designed to accommodate the Safe 25-Year Overflow.

The project will incorporate the following measures to reduce impacts to a less than significant level. In order to avoid impacts to onsite wetlands from an increase in downstream flows from upsizing the culvert, a weir shall be installed immediately upstream of the culvert inlet. The weir shall be designed to maintain existing downstream flows (prior to culvert upsizing). This will detain the current level of water upstream of the culvert maintaining the existing area of wetland and riparian habitat. The final design will be subject to the review and approval of the County of Santa Cruz DPW.

All runoff in excess of predevelopment levels for a 5-year storm event shall be detained on the site (See issue 7 above under Hydrology, Water Supply and Water Quality). The allowable release rate from the site shall be limited to the 5-year predevelopment flow rates based on known restrictions in Salsipuedes Creek. All runoff from parking and driveway areas shall go through water quality treatment prior to discharge from the site. Outsloping of driveways to drain to landscaped areas for filtering prior to discharge from the site should be considered. If structural treatment is proposed, a recorded maintenance agreement(s) will be required. This agreement shall be signed, notarized, and recorded, and a copy of the recorded agreement shall be submitted to the County DPW. All drainage improvements shall be reviewed and approved by DPW drainage prior to issuance of permits.

A comprehensive storm water management plan shall be provided that clearly describes existing and proposed conditions for the site in terms of impervious area coverage, grading and drainage patterns, and proposed best management practices. The plan shall show downspouts, drainage collection locations and pathways of runoff. It shall also include energy dissipation on sloping grades, show where and how runoff enters and exits the subject property, and account for runoff from all impervious areas (i.e., roofs, paved areas, patios, walkways, etc.). The final storm water management plan shall be consistent with other project plans including grading, landscaping etc.

The project shall provide permanent markings at each drainage inlet that read: "NO DUMPING - DRAINS TO BAY", or equivalent. The property owner shall be responsible for maintaining these markings.

A review letter from a Geotechnical Engineer shall be submitted to the County DPW approving the final drainage plans prior to issuance of a building permit.

9. Contribute to flood levels or erosion in natural watercourses by discharges of newly collected runoff?

_____ X _____

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable
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All runoff in excess of predevelopment levels for a 5-year storm event shall be detained on the site (See issue 7 above under Hydrology, Water Supply and Water Quality).

10. Otherwise substantially degrade water supply or quality? _____ X _____

Water quality treatment units, and a plan for maintenance will be required to minimize the effects of urban pollutants. In addition, an Erosion Control Plan as specified in Chapter 16.22.060 of the County Code, and a Storm Water Pollution Prevention Plan will be required during construction. Because the proposed project would result in a land disturbance of one acre or more, a Construction Activities Storm Water General National Pollutant Discharge Elimination System (NPDES) Permit shall be obtained from the Regional Water Quality Control Board. Construction activities include clearing, grading, excavation, stockpiling, and reconstruction of existing facilities involving removal and replacement.

C. Biological Resources

Does the project have the potential to:

1. Have an adverse effect on any species identified as a candidate, sensitive, or special status species, in local or regional plans, policies, or regulations, or by the California Department of Fish and Game, or U.S. Fish and Wildlife Service? _____ X _____

According to the California Natural Diversity Data Base (CNDDB), maintained by the California Department of Fish and Game (CDFG), there are no recorded special status plant or animal species in the site vicinity, and there were no special status species observed in the project area. However, the potential exists for the Santa Cruz tarplant (*Holocarpha macradenia*) to occur on the project site due to the presence of Watsonville loam soils. This species is listed by the CDFG as endangered, and by the U.S. Fish and Wildlife Service (USFWS) as threatened. As a result, it is protected under both the California Endangered Species Act and the Federal Endangered Species Act. The Santa Cruz tarplant is known to occur in valley and foothill grassland habitats. However, due to the absence of grazing or frequent mowing of the site, the grassland cover is extremely dense and would likely out compete the Santa Cruz tarplant. Therefore, a low potential exists for the Santa Cruz tarplant to occur within the project area.

A biotic assessment of the project study area was conducted by EcoSystems West Consulting Group on June 26, 2007. The site was also surveyed for special-status plant species [a report was prepared documenting the survey results (Appendix B)]. The parcel is characterized by a flat, ruderal terrace with an intermittent drainage along the eastern edge. The flat terrace portion of the parcel features a dense non-native

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable	0682
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annual grassland dominated field on the western two-thirds of the parcel. The eastern third of the parcel consists of a low gradient intermittent drainage dominated by California blackberry (*Rubus ursinus*), cattail (*Typha angustifolia*), rush (*Juncus* spp.), and arroyo willow (*Salix lasiolepis*). Prior to the field survey the flat terrace portion of the parcel had been mowed leaving a dense cover of thatch and a few scattered clumps of coyote brush (*Baccharis pilularis*), Himalayan blackberry (*Rubus discolor*), and blue elderberry (*Sambucus mexicana*). The mowed portion of the parcel supported a ruderal grassland/pasture dominated by non-native grasses and herbs. Annual grasses include rat-tail fescue (*Vulpia myuros*), slender wild-oat grass (*Avena barbata*), soft chess brome (*Bromus hordeaceus*), ripgut brome (*Bromus diandrus*), Italian rye grass (*Lolium multiflorum*), and farmer's foxtail (*Hordeum leporinum*). Herb species include wild radish (*Raphanus sativus*), cut-leaf geranium (*Geranium dissectum*), bur clover (*Medicago polymorpha*), white-stemmed filaree (*Erodium botrys*), hairy cat's ear (*Hypochoeris radicata*), green dock (*Rumex conglomerates*), morning glory (*Convolvulus arvensis*), red clover (*Trifolium hirtum*), and sow thistle (*Sonchus oleraceus*).

No special-status plant or animal species indigenous in the vicinity of the site were observed on the parcel. No significant special-status wildlife habitat was observed on the parcel. The drainage could provide refuge for native salamanders; however, there are no current records of special-status amphibians within one mile of the parcel. County Stream 489 does not contain habitat for salmon or steelhead, or other sensitive species (e.g., red-legged frog).

Due to the presence of Watsonville loam soil on the project site, potential exists for the occurrence of the following listed plants: Santa Cruz tarplant, a state-listed endangered and federally-listed threatened species; Monterey spineflower (*Chorizanthe pungens* var. *pungens*), a federally-listed threatened species; and robust spineflower (*Chorizanthe robusta*), a federally-listed threatened species. Although the parcel was mowed prior to the survey, there was clearly no evidence of remnant populations of any of these species. If the Santa Cruz tarplant, Monterey spineflower, or robust spineflower were present, the mowing blade would not have removed them, since they are typically managed in their remnant habitat by this method. Therefore, no impacts are anticipated from the proposed project.

2. Have an adverse effect on a sensitive biotic community (riparian corridor), wetland, native grassland, special forests, intertidal zone, etc.)?

X

A small intermittent drainage swale traverses the proposed project area along its eastern boundary. The drainage swale supports a disturbed and somewhat discontinuous stand of riparian/wetland species including red willow (*Salix laevigata*), tall umbrella sedge (*Cyperus involucreatus*), water smartweed (*Polygonum amphibium*), willow dock (*Rumex salicifolius* var. *salicifolius*), narrow-leaved cattail (*Typha angustifolia*), and blackberry. A wetland delineation was conducted by H.T. Harvey & Associates on June 16, 2005 according to the USACE 1987 Wetland Delineation

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0683 Not Applicable
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Manual (Environmental Laboratory 1987). Approximately 0.3 acre of jurisdictional wetlands was mapped on the project site (H.T. Harvey & Associates 2005). A 40-foot wetland buffer is proposed around the delineated boundary intended for preservation of the wetland and associated riparian vegetation (dominated by arroyo willow) under the jurisdiction of the CDFG. There are no other mapped or designated sensitive biotic communities on or adjacent to the project site.

Minor impacts to riparian/wetland areas are anticipated resulting from the proposed drainage improvements (see project improvements and mitigation in Section B8) at Minto Road and from the proposed pedestrian crossing. The existing 30-inch diameter corrugated steel culvert under Minto Road shall be replaced with an upsized culvert that has the capacity to accommodate existing flows during a 5-year storm event. New headwalls and wingwalls shall be constructed to protect the crossing at Minto Road from erosion. The stream crossing at Minto Road shall also be designed to accommodate the Safe 25-Year Overflow. A weir shall be installed immediately upstream of the upsized culvert inlet to avoid impacts to existing onsite wetlands from upsizing the culvert. The weir shall be designed to maintain existing downstream flows (prior to culvert upsizing). This will also detain the current level of water upstream of the upsized culvert maintaining the existing area of wetland and riparian habitat. The final design will be subject to the review and approval of the County of Santa Cruz DPW.

The project proposes to establish a wetland buffer of 40 feet rather than 100 feet as specified in Chapter 16.30.030 of the County Code. This would allow project encroachment 60 feet into the specified wetland buffer. However, due to the heavily disturbed nature of the onsite wetland area, this impact would be considered less than significant with the incorporation of the following mitigation measures. Due to past agricultural activities occurring on the site, the onsite wetland area had been mowed repeatedly for decades allowing invasive species to establish within the wetland areas and within the proposed 40-foot buffer area. Such invasive species include but are not limited to Himalayan blackberry, canary grass (*Phalaris canariensis*), umbrella sedge, and ryegrass (*Lolium perenne*). Mitigation for impacts to the wetland habitat from project encroachment shall be exotic species removal. All invasive exotic species shall be removed within the onsite wetland area and the associated buffer. Exotics shall be replaced with native species such as arroyo willow, sandbar willow (*Salix exigua* var. *hindsiana*), red willow, black cottonwood (*Populus trichocarpa*), coast live oak (*Quercus agrifolia*), and blue oak (*Q. douglasii*). An exotic species removal and restoration plan shall be prepared outlining exotic species removal techniques, a planting plan, and success monitoring. A five-year monitoring period shall be required to demonstrate success of the eradication and restoration effort.

A new pedestrian crossing would be allowed at the northern project boundary adjacent to the PG&E transmission line easement. Impacts to USACE and CDFG jurisdictional wetlands/waters would be minimal. Most of the impacts would be temporary for construction access.

A Riparian Exception would be required for encroachment into the riparian zone (see Section L2 for a complete discussion). Permits from the USACE (Nationwide 14 and

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0684 Not Applicable
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33), CDFG (1602 Streambed Alteration Agreement), and from the Regional Water Quality Control Board (Section 401 Water Quality Certification) would be required. Mitigation for temporary impacts to wetland and riparian habitat will include replanting of habitat (e.g., willows) following construction. All permanent impacts will be mitigated through creation of habitat within the wetland buffer area adjacent to the existing wetland area at a 2:1 replacement ratio. The Riparian Exception will also require that all exotic species located within the riparian zone and buffer be removed and replaced with the appropriate native riparian species (e.g. willows). Habitat creation and restoration for permanent and temporary impacts to wetland and riparian habitat shall be addressed in the exotic species removal and restoration plan discussed above.

Construction within the riparian corridor shall occur outside of the breeding season (February 15 through August 15) for protection of migratory birds under the Migratory Bird Treaty Act and Section 3503 of the California Fish and Game Code.

Outdoor lighting fixtures that are used to illuminate the premises, architectural features or landscape features of the project site shall be directed, shielded, or located in such a manner that the light source does not fall onto the onsite riparian buffer.

- 3. Interfere with the movement of any native resident or migratory fish or wildlife species, or with established native resident or migratory wildlife corridors, or impede the use of native or migratory wildlife nursery sites? _____ X _____

The proposed project does not involve any activities that would interfere with the movements or migrations of fish or wildlife, or impede use of a known wildlife nursery site. County Stream 489 does not contain habitat for salmon, steelhead, or other sensitive wildlife species.

- 4. Produce nighttime lighting that will illuminate animal habitats? _____ X _____

The development area is traversed by an intermittent drainage swale along the eastern project boundary that could be adversely affected by project-generated lighting. All project lighting located adjacent to the wetland buffer shall be shielded away from the buffer area. All development in the vicinity of the riparian corridor shall be consistent with Chapter 16.30 of the County Code.

- 5. Make a significant contribution to the reduction of the number of species of plants or animals? _____ X _____

The proposed project would not significantly contribute to the reduction of the number of species of plants or animals. No sensitive wildlife species are known to occur on the

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable
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project site. Although the site contains soils that are known to provide habitat for the Santa Cruz tarplant, it was not observed during a survey conducted by EcoSystems West Consulting Group on June 26, 2007. No other sensitive species were observed or are known to occur on the project site. As a result, no project-related impacts are anticipated.

6. Conflict with any local policies or ordinances protecting biological resources (such as the Significant Tree Protection Ordinance, Sensitive Habitat Ordinance, provisions of the Design Review ordinance protecting trees with trunk sizes of 6 inch diameters or greater)?

X

As mitigated in C2 above regarding Riparian Corridor and Wetlands Protection, the project would not conflict with any local policies or ordinances (i.e., Chapter 16.30 of the County of Santa Cruz Code).

7. Conflict with the provisions of an adopted Habitat Conservation Plan, Biotic Conservation Easement, or other approved local, regional, or state habitat conservation plan?

X

The proposed project would not conflict with any adopted Habitat Conservation Plan.

D. Energy and Natural Resources

Does the project have the potential to:

1. Affect or be affected by land designated as "Timber Resources" by the General Plan?

X

The project site is not designated as a Timber Resource. No timber resources occur on the project site or in the project vicinity. No impacts would occur.

2. Affect or be affected by lands currently utilized for agriculture, or designated in the General Plan for agricultural use?

X

The proposed project site is not currently used for agriculture. However, the site formerly contained an apple orchard. Commercial agricultural lands are located approximately one-tenth of a mile east of the project site. The proposed project would not affect the existing commercial agricultural operations, nor would the project be

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable
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0686

adversely affected by the offsite agricultural operations.

3. Encourage activities that result in the use of large amounts of fuel, water, or energy, or use of these in a wasteful manner? _____ X _____

The proposed project is a multi-family residential development. The project would not encourage the use of large amounts of fuel, water, or energy. The provisions of the proposed PUD encourage energy efficient design.

4. Have a substantial effect on the potential use, extraction, or depletion of a natural resource (i.e., minerals or energy resources)? _____ X _____

The site does not contain any natural resources (i.e., minerals or energy resources).

E. Visual Resources and Aesthetics

Does the project have the potential to:

1. Have an adverse effect on a scenic resource, including visual obstruction of that resource? _____ X _____

The project would not directly impact any public scenic resources, as designated in the County's General Plan (1994), or obstruct any public views of these visual resources.

2. Substantially damage scenic resources, within a designated scenic corridor or public view shed area including, but not limited to, trees, rock outcroppings, and historic buildings? _____ X _____

The project site is not located along a County designated scenic road or within a designated scenic resource area. No impacts from project implementation are anticipated.

3. Degrade the existing visual character or quality of the site and its surroundings, including substantial change in topography or ground surface relief features, and/or development on a ridgeline? _____ X _____

The 6.9-acre project area is proposed for development of an 88-unit multi-family

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable	0687
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residential development on land dominated by non-native grassland and wetland and riparian habitat. Views from the site include partially restricted mountain and valley views to the north and east. The views are encumbered by residential housing located along Hastings Lane adjacent to the site on the north, and the PG&E substation adjacent to the site on the east. Existing high voltage power lines from the substation run along the northern boundary of the project site. Although the Santa Cruz mountains are visible to the east, the adjacent PG&E substation and associated poles and towers are the dominant visual elements from Minto Road.

The project site is fully visible from the Minto Road adjacent to the southern boundary of the project site. However, two additional public viewpoints exist at Onyx Drive (located northeast of the project site) and Meidl Avenue (located immediately to the south of Minto Road). The project site is visible from the south end of Onyx Drive looking toward the southeast and from the north end of Meidl Avenue. However, because the viewpoint on Onyx Drive is from the end of the cul-de-sac, very few viewers would observe the site from that location. No public viewpoints of the site exist from either Green Valley Road to the west or Hastings Lane to the north due to the presence of development and landscaping.

The proposed project would allow the development of approximately five acres of non-native grassland, resulting in urbanized views for the limited number of viewers using Minto Road, Meidl Avenue, and Onyx Drive. Approximately 1.9 acres of non-native grassland and riparian and wetland areas would be placed into open space. The project through the PUD proposes the following development standards designed to avoid adverse impacts to visual resources.

Requirements for Structures

- Height: Height of structures would not exceed 37 feet measured from preconstruction natural grade or finished grade, whichever is higher, to the highest point of the structure. Two story structures would be limited to 28 feet from preconstruction natural grade or finished grade, whichever is higher, to the highest point of the structure. All exceptions as specified in County Code Chapter 13.10.510(d)(2) or successor ordinance would apply.
- Number of Stories: A maximum of three (3) stories as defined by the County Code exclusive of subsurface parking would be allowed. (Three stories would be allowed except in those areas restricted to two stories due to potential impacts to community character.)

Developable Area Requirements

- Setbacks: The applicable minimum yard setbacks would be established from the perimeter of the property to the habitable structures and enclosed non-habitable structures in aggregate and are as follows:

Habitable Structures

1. Western Property Line: 15 feet. No deck over 18 inches above grade would be closer than 15 feet from the property line.

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2. Southern Property Line: 20 feet.
3. Eastern Property Line: 40 feet from the riparian corridor (as delineated by the Biotic Report prepared by H.T. Harvey dated 7/15/05) and 200 feet from commercial agricultural designated property.
4. Northern Property Line: 110 feet (EMF line).

Non-Habitable Structures

Carports, garages, or other non-habitable structures may be located as follows:

1. Western Property Line: 15 feet.
 2. Southern Property Line: 20 feet.
 3. Eastern Property Line: East of the riparian area: 15 feet and outside the 40 foot riparian buffer, west of the riparian area: 0 (zero) feet from the 40 foot riparian buffer and commercial agriculture setback.
 4. Northern Property Line: 25 feet (outside of the PG&E easement and with PG&E approval).
 5. The lift station required by section IV D (6) of the PUD is riot subject to the property line setbacks, but must be located outside the riparian buffer and the commercial agriculture setback noted on Exhibit A.
- Riparian Area: A riparian buffer of 40 feet would be maintained, but the 10-foot additional riparian construction buffer would not apply.

Riparian Encroachment

1. A pedestrian crossing of the riparian area (bridge) in the northern 50 feet of the mapped riparian area (as delineated by the Biotic Report prepared by H.C. Harvey dated 7/15/05) on the property would be allowed for the purposes of an access to the eastern portion of the lot. A "nature trail" may be placed along the eastern portion of the property outside of the mapped riparian area, but this area would not be used for habitable or non-habitable structures and would not count towards the developable acreage. The design would have to meet accessibility standards and be submitted for review and approval by County Planning. Permits would have to be obtained from the USACE and the CDFG.
- Open Space: Usable open space would be provided on site as specified by County Code Chapter 13.10.323 (f) or its successor ordinance. No active open space use (i.e. children's play equipment, picnic tables) could be sited within the 110 foot EMF setback.

Design Standards

- Building Design: It is the objective of the building design that the basic architectural design principles of balance, harmony, order and unity prevail, while not excluding the opportunity for unique design.

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable	0689
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- Bulk and Mass: To reduce the apparent bulk and mass of the development, efforts would be made to provide articulation and architectural features and provide a transition in height from the adjacent properties to the south and the west. This transition would be achieved by limiting the first row of structures along the southern and western property line frontages to two stories and a height of 28 feet.

Exception through Design Review

1. No building would have a dimension frontage greater than 120 feet in length unless it is determined by the Design Review process that a larger structure would achieve a proper design.

Because the site is located in a residential neighborhood dominated by single-family residences to the north, south and west, and a PG&E substation to the east, the proposed project would not significantly degrade the existing visual character of the area. Although the project would result in the loss of approximately five acres of undeveloped land currently present on the site, it is now an isolated parcel surrounded by development, which is no longer visible from Green Valley Road where the majority of viewers would view the site. In addition, the site is not located in a designated visual resource area. Under the design guidance of the PUD (Appendix A), the proposed project would be designed and landscaped so as to fit into this setting. No significant impacts to visual resources and aesthetics are anticipated.

4. Create a new source of light or glare which would adversely affect day or nighttime views in the area? _____ X _____

The project would contribute an incremental amount of night lighting to the visual environment. However, the following project conditions will reduce this potential impact to a less than significant level:

- (a) All site, building, security and landscape lighting shall be directed onto the site and away from adjacent properties and the riparian wetland area. Light sources shall not be visible from adjacent properties. Light sources can be shielded by landscaping, structures, fixture design or other physical means. Building and security lighting shall be integrated into the building design.
- (b) All lighted parking and circulation areas shall utilize low-rise light posts (standards) or light fixtures attached to the building. Light standards to a maximum height of 15 feet are allowed.
- (c) Area lighting shall be high-pressure sodium vapor, metal halide, fluorescent, or equivalent energy-efficient fixtures.

5. Destroy, cover, or modify any unique geologic or physical feature? _____ X _____

There are no unique geological or physical features on or adjacent to the site that

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable	0690
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would be destroyed, covered, or modified by the project.

F. Cultural Resources

Does the project have the potential to:

1. Cause an adverse change in the significance of a historical resource as defined in CEQA Guidelines 15064.5? _____ X _____

2. Cause an adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines 15064.5? _____ X _____

No structures currently exist on the project site. No historical resources are known to have occurred or occur on the project site.

According to the Santa Cruz Archeological Society site assessment, dated March 30, 1989, (Appendix C), there is no evidence of pre-historic cultural resources. The proposed project would, therefore, have no adverse impact on prehistoric resources. However, pursuant to Chapter 16.40.040 of the Santa Cruz County Code, if archeological resources are uncovered during construction, the responsible persons shall immediately cease and desist from all further site excavation and comply with the notification procedures given in County Code Chapter 16.40.040.

Senate Bill 18 requires cities and counties to notify and consult with California Native American Tribes about proposed local land use planning decisions for the purpose of protecting Traditional Tribal Cultural Places. Cities and counties are required to send their general plan proposals to those California Native American Tribes that are on the Native American Heritage Commission's (NAHC) contact list and have traditional lands located within the city or county's jurisdiction. Cities and counties must also conduct consultations with these tribes prior to adopting or amending their general plans.

Due to the proposed General Plan amendment, the County notified and consulted with four Native American tribal contacts received from the NAHC. These contacts included: Valentin Lopez, Amah Mutsun Tribal Band; Patrick Orozco, Costanoan Ohlone Rumsen-Mutsen Tribe; Irene Zwierlein, Amah/Mutsun Tribal Band; and Ann Marie Sayers, Indian Canyon Mutsun Band of Costanoan. One telephone response was received from Mr. Patrick Orozco regarding the potential for artifacts at the Dalton Road area (near Mesa Village). The County Planning Department informed Mr. Orozco that Mr. Joe Carroll of the Santa Cruz Archaeological Society surveyed the proposed project site in 1989, and there was no evidence of prehistoric cultural resources.

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable 0691
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3. Disturb any human remains, including those interred outside of formal cemeteries? _____ X _____

According to the 1989 Santa Cruz Archeological Society site assessment (Appendix C), there is no evidence of pre-historic cultural resources. Pursuant to Chapter 16.40.040 of the Santa Cruz County Code, if at any time during site preparation, excavation, or other ground disturbance associated with this project, human remains are discovered, the responsible persons shall immediately cease and desist from all further site excavation and notify the sheriff-coroner and the Planning Director. If the coroner determines that the remains are not of recent origin, a full archeological report shall be prepared and representatives of the local Native California Indian group shall be contacted. Disturbance shall not resume until the significance of the archeological resource is determined and appropriate mitigations to preserve the resource on the site are established.

4. Directly or indirectly destroy a unique paleontological resource or site? _____ X _____

A database search of the University of California Museum of Paleontology Specimen Search was conducted on May 16, 2007. No paleontological resources are known to occur within the project area. No impacts to paleontological resources are anticipated.

G. Hazards and Hazardous Materials

Does the project have the potential to:

1. Create a significant hazard to the public or the environment as a result of the routine transport, storage, use, or disposal of hazardous materials, not including gasoline or other motor fuels? _____ X _____

The project proposes the development of multi-family residential housing units. The transport, storage, use and disposal of hazardous materials are not being proposed by this project. Therefore, no significant hazard to the public would occur as a result of the proposed project.

2. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? _____ X _____

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0692 Not Applicable
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The project site is included on the April 14, 2007 list of hazardous sites in Santa Cruz County compiled pursuant to the specified code. However, the case was closed by the County Department of Environmental Health on December 26, 2006. The project site was historically used as an apple orchard and, therefore, has the potential for pesticide contamination in the soil. As a result, a Phase II Limited Soil Investigation (dated June 9, 2006, by Environmental Investigation Services, Inc) and Additional Phase II Limited Soil Investigation (dated June 22, 2006, by Environmental Investigation Services, Inc.) were conducted for the project site (Environmental Investigation Services 2006a,b). Although some chemical concentrations were detected, the reports concluded that no further action is warranted. Therefore, the County Department of Environmental Health determined that no further assessment and/or remediation are needed at this time (County of Santa Cruz 2006).

3. Create a safety hazard for people residing or working in the project area as a result of dangers from aircraft using a public or private airport located within two miles of the project site?

X

Although the project is located within 1.5 miles of the Watsonville Municipal Airport, no safety hazard for people residing or working in the project area would result. According to the Draft Environmental Impact Report (EIR) prepared for the Watsonville Municipal Airport Master Plan 2001-2020, airport operations outlined under the master plan would be consistent with the County of Santa Cruz General Plan. In addition, the project area is located outside of both the runway safety area and runway protection zone (City of Watsonville 2002).

4. Expose people to electro-magnetic fields associated with electrical transmission lines?

X

A 25-foot wide 115kV PG&E transmission line easement is located along the northern project boundary. An 85-foot wide buffer is required between any proposed habitable structures and the PG&E easement. The transmission line contains a single circuit overhead transmission line that was identified by PG&E as the Green Valley-Paul Sweet 115 kV transmission line. Closest to the property line, along Minto Road, is an overhead 21 kV transmission line supported on wooden poles. A lower voltage 4 kV overhead distribution line is also located offsite on the south side of Minto Road.

Continuous magnetic field measurements were performed by Eneritech Consultants on January 6, 2004, to record field levels for a typical day for both the 115 kV and 21 kV lines. Measurements were performed for a period of approximately 24-hours to record the temporal variation of the magnetic field levels during the measurement period under typical loading conditions.

Field levels beneath the 115 kV transmission line ranged from about 10.5 milligauss

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0693 Not Applicable
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(mG) at approximately 3:30 AM on January 7, 2004, to a peak of about 206 mG at approximately 6:00 PM on January 6, 2004. Field levels can vary substantially throughout a 24-hour period due to the variation in load throughout the measurement period.

Computer calculations were performed for two different loading conditions:

1. Summer peak
2. Typical winter peak load

The calculated magnetic field for the January 6, 2004 "peak load" condition approximates the actual measured magnetic field. The calculated magnetic fields for the "peak load" on January 6, 2004 loading condition (actual measured magnetic field), ranged from about 24.2 mG underneath of the 115 kV transmission line down to about 2.0 mG at a distance of about 130 feet from the transmission line. The calculated magnetic field for the "summer peak" loading condition is slightly higher due to the increase in load where field levels range from a maximum of about 25.2 mG directly beneath the 115kV transmission line down to about 2.1 mG at a distance of about 130 feet from the transmission line.

Field levels would increase with height near the 115 kV power lines. Building structures consisting of multiple floors would have higher field levels on upper floors, depending upon the proximity of the building in relation to the transmission line.

Computer calculations were performed with the 21 kV circuit located underground along the project frontage. Field levels from the proposed 21 kV transmission line ranged from about 18.3 mG directly above the line, at ground level, down to approximately 1 mG at 100 feet from the line.

Although California does not have any engineer-based guidelines or standards that limit field strengths for the transmission line right-of-way, two other states do. These include the following: New York (200 mG at edge of right-of-way [Max Load]); and Florida (200 mG for 500kV lines at edge of right-of-way, 250 mG for double circuit 500 kV lines at edge of right-of-way, and 150 mG for 230 kV and smaller lines at edge of right-of-way [Max Load]). Thus, the onsite PG&E 115 kV and 21 kV transmission lines would conform to these other state regulations.

According to the County General Plan Policy 6.8.3(b), undergrounding power lines in a metallic pipe or other appropriate insulator will reduce the electric and magnetic fields. Therefore, the undergrounding of the 21 kV transmission line shall be placed in an appropriate insulator to further reduce the electric and magnetic fields. In addition, General Plan Policy 6.8.3(a) directs projects to locate and/or cluster habitable building envelopes away from the potentially hazardous electric and magnetic fields consistent with the current state of scientific knowledge. The 25-foot wide 115kV PG&E power line easement is located along the northern project boundary. The project requires the establishment of an 85-foot wide buffer between any proposed development and the PG&E 115kV transmission line easement.

With the implementation of the above mitigation measures, no impacts from the onsite

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0694 Not Applicable
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115 kV or 21 kV transmission lines are anticipated.

5. Create a potential fire hazard? _____ X _____

The project design shall incorporate all applicable fire safety code requirements and shall include fire protection devices as required by the local fire agency.

6. Release bio-engineered organisms or chemicals into the air outside of project buildings? _____ X _____

The proposed multi-family residential development would not release bio-engineered organisms or chemicals into the air outside of project buildings.

H. Transportation/Traffic

Does the project have the potential to:

1. Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)? _____ X _____

The following discussion is a summary of the Transportation Impact Analysis prepared by Fehr & Peers Transportation Consultants dated May 25, 2007. The Transportation Impact Analysis was based on a projected 100 new units. The project has since been reduced to 88 new units. The reduction in units has been analyzed as to the veracity of the report and the difference is negligible.

As shown in Table 2, both Watsonville intersections currently operate at acceptable levels. The Green Valley Road/Airport Boulevard/Holohan Road intersection currently operates unacceptably (LOS D or worse). Overall operations at the Green Valley Road/Minto Road intersection are acceptable.

**Table 2
Intersection Levels of Service**

Scenario	Peak Hour	Airport Blvd./ Freedom Blvd. (Signal) (Watsonville)		Green Valley Rd./ Freedom Blvd. (Signal) (Watsonville)		Green Valley Rd./ Airport Blvd./ Holohan Rd. (Signal)		Green Valley Rd./ Minto Rd. (Side-Street Stop)	
		Average Delay ¹	LOS ²	Average Delay ¹	LOS ²	Average Delay ¹	LOS ²	Average Delay ¹	LOS ²
Existing	AM	33.8	C	37.0	D	56.4	E	1.1 (24.8)	A (C)
	PM	38.2	D	53.0	D	88.3	F	2.0 (42.9)	A (E)
Background ³	AM	34.2	C	37.3	D	45.5	D	1.1 (24.8)	A (C)
	PM	38.5	D	53.6	D	53.3	D	2.0 (42.9)	A (E)
Project	AM	34.3	C	37.8	D	46.4	D	2.8 (39.9)	A (E)
	PM	38.9	D	54.5	D	54.3	D	5.1 (91.5)	A (F)
Future (Year 2025)	AM	83.7	F	86.5	F	135.5	F	26.2 (>180)	D (F)
	PM	90.6	F	156.1	F	150.3	F	>180 (>180)	F (F)
Future (Year 2025) with Mitigation ⁴	AM	57.4	E	62.4	F	89.2	F	10.1	B
	PM	74.7	E	123.8	F	137.8	F	52.8	D

Notes:
 1. Whole intersections weighted average control delay expressed in seconds per vehicle calculated using methods described in the 2000 Highway Capacity Manual. For side-street stop-controlled intersections, total control delay for the worst movement is presented in parenthesis.
 2. LOS = Level of service. LOS calculations conducted using the Synchro level of service analysis software package.
 3. Background improvement: Green Valley/Airport/Holohan – add northbound right-turn lane and optimize timing.
 4. Future (Year 2025) mitigation: Airport/Freedom – add eastbound right-turn lane; Green Valley/Freedom – add southbound left-turn lane; Green Valley/Airport/Holohan – add southbound and eastbound right-turn lanes; Green Valley/Minto – signalize.
 Source: Fehr & Peers Transportation Consultants, 2007.

Background conditions include existing traffic volumes plus traffic generated from approved but not yet constructed or occupied projects and serve as the basis for identifying project impacts. As part of the background conditions, one of the approved projects is required to construct a northbound (Green Valley Road) right-turn pocket at the Green Valley Road/Airport Boulevard/Holohan Road intersection. The signal will be retimed as part of the improvement, resulting in the improved LOS shown in Table 2.

The proposed 88-unit project is expected to generate 661 daily trips, 47 AM peak-hour trips (10 inbound and 37 outbound), and 64 PM peak-hour trips (41 inbound and 23 outbound).

Both Watsonville intersections shown in Table 2 above are projected to operate at acceptable levels (LOS D or better). The Green Valley Road/Airport Boulevard/Holohan Road intersection is projected to operate at acceptable levels for constrained intersections (LOS D). Overall operations at the Green Valley Road/Minto Road intersection would remain acceptable, and the westbound movement operations would degrade to LOS E during the AM peak hour and LOS F during the PM peak hour.

According to the County of Santa Cruz General Plan, significant impacts at signalized intersections are defined to occur when:

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1. The addition of project traffic causes intersection operations to degrade from LOS D or better to LOS E or F, or
2. Project traffic is added to an intersection operating at LOS E or F, resulting in a one-percent increase in the volume-to-capacity ratio of the sum of all critical movements.

Significant impacts at unsignalized intersections are defined to occur when:

1. The addition of project traffic causes intersection operations to degrade from LOS D or better to LOS E or F, and the peak-hour signal warrant from the Manual on Uniform Traffic Control Devices (MUTCD) is satisfied, or
2. Project traffic is added to an intersection operating at LOS E or F, and the peak-hour signal warrant from the MUTCD is satisfied.

According to the City of Watsonville General Plan Policy 6.1.3, "The City shall maintain a minimum Level of Service D (LOS D) on signalized intersections on arterial and collector streets serving the City except for those accepted to operate at less than LOS D in the 2005–2030 Major Streets Master Plan. Unsignalized intersections may operate at less than a LOS D during peak periods and will be monitored to determine if operational improvements are feasible or if the intersection meets warrants for the installation of a traffic signal." Therefore, significant impacts at signalized intersections are defined to occur when the addition of project traffic causes intersection operations to degrade from LOS D or better to LOS E or F.

Based on the project impact criteria listed above, the proposed project would have a less-than-significant impact at study area intersections. In addition, there are no significant project-related impacts at the Green Valley Road/Minto Road intersection because the peak-hour warrants are not met. Therefore, no roadway mitigation measures are required under project conditions.

2. Cause an increase in parking demand, which cannot be accommodated by existing parking facilities?

_____ X _____

Off-Street Parking

The parking provided would be consistent with the requirements outlined in the PUD (see Appendix A). The development would provide 1.5 spaces for studio and one-bedroom units, 2.0 parking spaces for two-bedroom units, 2.5 spaces for three-bedroom units, and 3.0 spaces for four-bedroom units. A minimum of 20 percent of the total residential parking spaces would be provided for guest parking. Thus, the project meets the code requirements for the required number of parking spaces; and therefore, new parking demand would be accommodated on site.

On-Street Parking

Improvements to Minto Road would result in the loss of available on-street parking. The project proposes on-street parking only on the north side of Minto Road from Green Valley Road to approximately 75 feet west of the stream crossing following

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warrants are met at the Green Valley/Minto Road intersection.

The County's General Plan identifies planned improvements to its roadway network. Green Valley Road/Airport Boulevard/Holohan Road intersection will be modified with the installation of an additional eastbound left-turn pocket on Airport Boulevard. The Green Valley Road/Minto Road intersection will be modified with the installation of a southbound left-turn pocket on Green Valley Road. No improvements were identified in the General Plan at the two City of Watsonville intersections.

In addition to those mitigation measures provided in the General Plan, the following measures are proposed to reduce impacts to below a level of significance:

1. *Airport Boulevard/Freedom Boulevard:* Operations at this intersection can be improved to LOS E with the addition of an eastbound right-turn lane. The average delay would be reduced by 26.3 seconds during the AM peak hour and by 15.9 seconds during the PM peak hour. Considering the project's contribution is 0.1 second during the AM peak hour and 0.4 second during the PM peak hour (background conditions compared with background with project conditions), impacts would not be considered significant with mitigation. The new lane cannot be accommodated with restriping, and right-of-way acquisition will be required. Relocation of an existing signal and utility pole will also be required. The applicant shall pay Transportation Improvement Area fees to the City of Watsonville for the required intersection improvements per the methodology at the time.
2. *Green Valley Road/Freedom Boulevard:* Operations at this intersection can be improved (but would remain LOS F) with the addition of a second southbound left-turn lane. The average delay would be reduced by 24.2 seconds during the AM peak hour and by 32.3 seconds during the PM peak hour. Considering the project's contribution is 0.5 second during the AM peak hour and 0.9 second during the PM peak hour (background conditions compared with background with project conditions), impacts would not be considered significant with mitigation. The new lane cannot be accommodated with restriping. The acquisition of right-of-way will be required in addition to the relocation of existing signal poles. The applicant shall pay Transportation Improvement Area fees to the City of Watsonville for the required intersection improvements per the methodology at the time.
3. *Green Valley Road/Airport Boulevard/Holohan Road:* Operations at this intersection can be improved (but would remain LOS F) with the addition of southbound and eastbound right-turn lanes. The average delay would be reduced by 46.3 seconds during the AM peak hour and by 12.5 seconds during the PM peak hour. Considering the project's contribution is 0.9 second during the AM peak hour and 1.0 second during the PM peak hour (background conditions compared with background with project conditions), impacts would not be considered significant with mitigation. The new lanes cannot be accommodated with restriping. The acquisition of right-of-way will be required in addition to the relocation of existing signal poles. The applicant shall pay

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Transportation Improvement Area fees to the County of Santa Cruz DPW for the required intersection improvements.

- 4. *Green Valley Road/Minto Road*: Operations at this intersection can be improved to LOS B during the AM peak hour and LOS D during the PM peak hour with signalization. LOS D operations are acceptable at this location because of physical constraints. The applicant shall pay Transportation Improvement Area fees to the County of Santa Cruz DPW for the required intersection improvements.

I. Noise

Does the project have the potential to:

- 1. Generate a permanent increase in ambient noise levels in the project vicinity above levels existing without the project? _____ X _____

The project would create an incremental increase in the existing noise environment. However, this increase would be small, and would be similar in character to noise generated by the surrounding existing uses.

- 2. Expose people to noise levels in excess of standards established in the General Plan, or applicable standards of other agencies? _____ X _____

County General Plan Policy 6.9.1 requires all new development to conform with the Land Use Compatibility Guidelines. All new residential and noise sensitive land developments must conform to a noise exposure standard of 60 dB L_{dn} (day/night average noise level) for outdoor noise and 45 dB L_{dn} for indoor noise. New development of land, which cannot be made to conform to this standard, will not be permitted (County of Santa Cruz 1994).

The dominant source of vehicular noise in the area is the traffic on Green Valley Road, which is approximately 400 feet from the project site. Additional intermittent vehicular noise is generated from agricultural planting/harvest machines located east of the PG&E substation. Aircraft arriving at and departing from the primary runway of the Watsonville Airport (approximately one and one-half miles southwest of the project site) also add noise to the project location.

Noise levels at the project site generated from traffic on Green Valley Road (400 feet to the west) are reduced because of the noise-shielding effects of roadside and residential structures, the distance from the source, and natural noise barriers (e.g., vegetation and trees). Estimated outdoor noise levels at the project site are estimated to be 45 to 55 dB L_{dn}.

For residential structures, normally acceptable interior noise levels are 45 dB L_{dn} or

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable 0700
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less. Under the assumption that a typical residential structure reduces the exterior noise level by approximately 12–18 dBA, residential structures constructed in areas with 60 dB L_{dn} or less would typically meet the acceptable interior noise level. No significant adverse impact from vehicular generated noise is anticipated.

3. Generate a temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

_____ X _____

Noise generated during construction would temporarily increase the ambient noise levels for adjoining areas. To minimize impacts associated with short-term construction noise, the applicant shall ensure that the following noise control measures are incorporated into the final construction design plans for the proposed project:

- (a) Limit construction that involves motorized equipment to Monday through Friday from 7:30 AM to 4:30 PM to avoid the times of day and the days of the week when noise effects would cause the greatest annoyance to residents.
- (b) Allow exceptions to the specified construction hours only for construction emergencies and when approved by County Planning; and
- (c) Post a sign that is clearly visible to users on Minto Road that provides the phone number for the public to call to register complaints about construction-related noise problems. A single "disturbance coordinator" shall be assigned to log in and respond to all calls. All verified problems shall be resolved within 24 hours of registering the complaint.

Implementing these mitigation measures would reduce potential significant impacts to a less than significant level.

J. Air Quality

Does the project have the potential to:
(Where available, the significance criteria established by the MBUAPCD may be relied upon to make the following determinations).

1. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?

_____ X _____

The North Central Coast Air Basin does not meet state standards for ozone and particulate matter (PM₁₀). Therefore, the regional pollutants of concern that would be emitted by the project are ozone precursors (Volatile Organic Compounds [VOCs] and nitrogen oxides [NOx]), and dust.

The proposed project is expected to generate 661 daily trips, 47 AM peak-hour trips



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(10 inbound and 37 outbound), and 64 PM peak-hour trips (41 inbound and 23 outbound). The Carbon Monoxide (CO) thresholds outlined in Section 5.4 of the Monterey Bay Unified Air Pollution Control District (MBUAPCD) CEQA Guidelines would not be exceeded by the proposed project (MBUAPCD 2004). The proposed project would not significantly affect levels of service at intersections or road segments that would cause or substantially contribute to violation of state or national ambient air quality standards (AAQS) for carbon monoxide.

Construction activities (e.g., excavation, grading, on-site vehicles) that directly generate 82 pounds per day or more of PM₁₀ would result in a significant impact on local air quality if they were located nearby and upwind of sensitive receptors. Although project construction may result in a short-term, localized decrease in air quality due to generation of dust, the implementation of standard best management practices would result in the generation of PM₁₀ levels well below 82 pounds per day. The following mitigation measures will reduce construction-related emissions to a less than significant level.

- All active construction areas shall be watered as needed. Frequency should be based on the type of operation, soil, and wind exposure.
- All grading activities shall be prohibited during periods of high wind (over 15 mph).
- Chemical soil stabilizers shall be applied on inactive construction areas (disturbed lands within construction projects that are unused for at least four consecutive days).
- Non-toxic binders (e.g., latex acrylic copolymer) shall be applied to exposed areas after cut and fill operations and the area shall be hydroseeded.
- Haul trucks shall maintain at least 2'0" of freeboard.
- All trucks hauling dirt, sand, or loose materials shall be covered.
- Vegetative ground cover shall be planted in disturbed areas as soon as possible.
- Inactive storage piles shall be covered.
- Wheel washers shall be installed at the entrance to construction sites for all exiting trucks.
- Streets shall be swept if visible soil material is carried out from the construction site.
- A publicly visible sign shall be posted that specifies the telephone number and person to contact regarding dust complaints. This person shall respond to complaints and take corrective action within 48 hours. The phone number of the MBUAPCD shall be visible to ensure compliance with Rule 402 (Nuisance).

The construction project would use typical construction equipment such as dump trucks, scrapers, bulldozers, compactors and front-end loaders, which temporarily emit

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precursors of ozone. However, they are accommodated in the emission inventories of state- and federally-required air plans and would not have a significant impact on the attainment and maintenance of ozone AAQS.

2. Conflict with or obstruct implementation of an adopted air quality plan? _____ X _____

The project will not conflict with or obstruct implementation of the regional air quality plan. See J-1, Air Quality above.

3. Expose sensitive receptors to substantial pollutant concentrations? _____ X _____

There would be a short-term air quality impact from emissions generated during site preparation (including soil stabilization efforts) and building construction. Dust from grading and emissions from heavy equipment would incrementally increase emissions over the short term. There would be a long-term incremental decrease in air quality resulting from vehicle emissions generated by the proposed project. However, this impact is not considered to be significant (See J-1 Air Quality Mitigation).

4. Create objectionable odors affecting a substantial number of people? _____ X _____

The project is not expected to create objectionable odors. No impacts are anticipated.

K. Public Services and Utilities

Does the project have the potential to:

1. Result in the need for new or physically altered public facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:

- a. Fire protection? _____ X _____

The project site is located within the Pajaro Valley Fire Protection District located at 562 Casserly Road in Watsonville, California. The station is located approximately three miles northeast of the project site. There would be an incremental increase demand for fire protection services with project implementation, but not sufficient to warrant additional personnel or equipment. An existing ladder truck would be dispatched from the City of Watsonville fire department to service any three-story

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0703 Not Applicable
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structures in the event of an emergency.

b. Police protection? _____ X _____

The project site is within the jurisdiction of the County of Santa Cruz Sheriff's Department located at 701 Ocean Street in Santa Cruz. The Sheriff's Department is located approximately 18 miles north of the proposed project site. However, a Sheriff's South County Service Center is located at 790 Green Valley Road in Watsonville. The South County Service Center is staffed with a sergeant, deputy and a team of volunteers. The Center serves all unincorporated areas of the county south of Aptos, including Freedom, Corralitos, Green Valley, and Pajaro.

Response time depends on the character of the call, the availability of an officer, and the office's proximity to the site. Emergency response time to the project site is estimated at three minutes (for burglaries in progress or domestic violence) to two hours (for investigations of a non-emergency nature). The department also maintains a service agreement with the California Highway Patrol and the City of Watsonville Police Department. No impacts are anticipated.

c. Schools? _____ X _____

The proposed project site is located within the Pajaro Valley Unified School District (PVUSD). While the project represents an incremental contribution to the need for services, the increase would be minimal. School fees to be paid by the applicant would be used to offset the incremental increase in demand for school facilities.

d. Parks or other recreational activities? _____ X _____

The proposed project site is located within the jurisdiction of the County of Santa Cruz Department of Parks, Open Space and Cultural Services. While the project represents an incremental contribution to the need for services, the increase would be minimal. Park fees to be paid by the applicant would be used to offset the incremental increase in demand for recreational facilities.

e. Other public facilities; including the maintenance of roads? _____ X _____

While the project represents an incremental contribution to the need for services, the increase would be minimal. Moreover, the project meets all of the applicable standards and requirements identified by the local fire agency, and school, park, and transportation fees to be paid by the applicant would be used to offset the incremental increase in demand for school and recreational facilities and public roads.

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2. Result in the need for construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

X

According to calculations performed by Mid-Coast Engineers (2005), the capacity of the 30-inch diameter culvert that crosses beneath Minto Road is 37.5 cfs. During a 10-year storm event, flows to the culvert were calculated at 40 cfs. As a result, the culvert in its current state may not accommodate either the pre-project or the post project runoff from a 5-year storm; and therefore, may not meet the County of Santa Cruz design standards for drainage structures. In addition, the culvert is partially blocked with vegetation and sediment further reducing its capacity. As part of the proposed project, the existing 30-inch diameter corrugated metal culvert under Minto Road would be replaced with an upsized culvert that has the capacity to accommodate existing flows during a 5-year storm event. New headwalls and wingwalls would be constructed to protect the crossing from erosion. The Minto Road stream crossing would also be designed to accommodate the Safe 25-Year Overflow.

In order to avoid impacts to existing onsite wetlands, the following drainage improvements will be required to reduce significant impacts to a less than significant level.

A weir shall be installed immediately upstream of the upsized culvert inlet to avoid impacts to existing onsite wetlands from upsizing the culvert. The weir shall be designed to maintain existing downstream flows (prior to culvert upsizing). This will detain the current level of water upstream of the culvert maintaining the existing area of wetland and riparian habitat. The final design will be subject to the review and approval by the County of Santa Cruz DPW.

3. Result in the need for construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

X

The project would connect to an existing municipal water supply. City of Watsonville DPW has determined that adequate supplies are available to serve the project (pers. comm. Gayland Swain, City of Watsonville Utility Engineer, October 18, 2007). City of Watsonville Policy 1 relating to "Outside City of Watsonville Water Connections," states "Water connections and extensions may be provided to an existing parcel (vacant or otherwise) located within a County Sanitation District which, under the current Santa Cruz County General Plan and Zoning, may be further divided provided that:

- a. The project has a net density of at least 12 dwelling units per acre; and
- b. The project is consistent with City of Watsonville housing goals and policies

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable
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including Watsonville Municipal Code Chapter 14-46 (inclusive of percentage of inclusionary units, income restrictions, sales price restrictions and length of affordability covenants).

The proposed project meets all of these requirements. However, a LAFCo annexation would be required for the extraterritorial water service (new service outside City limits) from the City of Watsonville Public Works and Utilities Department. California Government Code §56133 directs cities and special districts to receive written approval from LAFCo to provide new or extended services by contract or agreement outside their jurisdictional boundaries.

Municipal sewer service is available to serve the project from the Freedom County Sanitation District. The Freedom County Sanitation District will reserve sewer service availability for the proposed project upon completion of an approved preliminary sewer design. The proposed location of on site sewer lateral(s), clean-out(s), and connections(s) to existing public sewer must be shown on the plot plan. The County DPW and Sanitation District approval must be obtained for an engineered sewer improvement plan, showing on site and off-site sewers, including the private pump station with emergency generator, needed to provide service to each lot or unit proposed, before sewer connection permits can be issued. The improvement plan must conform to the County's Design Criteria, and must also show any roads and easements. Existing and proposed easements must be shown on any required Final Map. Sewer service connections must be made to manhole 99 in Minto Road. Sewers must be installed on the centerline of the roadway. Sewer lines cannot be installed through wetland and/or riparian areas.

Water use data (actual and/or projected), and other information as may be required for this project, must be submitted to the Sanitation District for review and use in fee determination and waste pretreatment requirements before sewer connection permits can be approved.

No downstream capacity problems or other issues are known at this time. However, downstream sewer requirements would again be reviewed at the time of Planning Permit review, at which time the Sanitation District reserves the right to add or modify downstream sewer requirements.

No significant impacts are anticipated.

4. Cause a violation of wastewater treatment standards of the Regional Water Quality Control Board? _____ X _____

The project's wastewater flows would not violate any wastewater treatment standards.

5. Create a situation in which water supplies are inadequate to serve the project or provide fire protection? _____ X _____

Water for the project would be served by the City of Watsonville Public Works & Utilities Department. Although the City of Watsonville has a Limited Meter Policy, it only applies to projects at a density of less than 12 dwelling units per acre. The City of Watsonville guaranteed that a meter would be available for the proposed project at such a time when it is constructed (Pers. Comm. Gayland Swain, City of Watsonville Utility Engineer, October 18, 2007).

The water mains serving the project site provide adequate flows and pressure for fire suppression. According to the PVFPD, fire flow requirements are 1,000 gallons per minute for the project. Fire hydrants are to be located within 250-feet of the property along the PVFPD access route. During design review, the PVFPD reviews and approves project plans to assure conformity with fire protection standards, which include minimum requirements for water supply for fire protection.

6. Result in inadequate access for fire protection?

X

The project's road access would meet County standards with implementation of the following measures.

Details of compliance with the driveway requirements shall be shown on plans. The driveway shall have a minimum width of 20 feet with a maximum of twenty percent slope. The driveway and access road shall be in place to the following standards prior to any framing construction, or construction will be stopped:

- The driveway surface shall be "all weather", a minimum 6 inches of compacted aggregate base rock, Class 2 or equivalent certified by a licensed engineer to 95 percent compaction, and 2 inches of asphalt concrete, and shall be maintained.
- All weather surface shall be a minimum of 6 inches of compacted Class 2 base rock for grades up to and including 5 percent, oil and screened for grades up to and including 15 percent and asphalt concrete for grades exceeding 15 percent, but in no case exceeding 20 percent.
- The maximum grade of the driveway shall not exceed 20 percent, with grades of 15 percent not permitted for distances of more than 200 feet at a time.
- The driveway shall have an overhead clearance of 14 feet vertical distance for its entire width.
- A turn-around area that meets the requirements of the fire department shall be provided for access roads and driveways in excess of 150 feet in length.
- Drainage details for the road or driveway shall conform to current engineering practices, including erosion control measures.
- All private access roads, driveways, and turn-arounds are the responsibility of the owner(s) of record and shall be maintained to ensure the fire department

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0707 Not Applicable
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safe and expedient passage at all times.

- The driveway shall be thereafter maintained to these standards at all times.
- All culverts and crossings shall be certified by a registered engineer, have a minimum capacity of 25 tons with a Caltrans H-20 loading standard (with the exception of the proposed pedestrian crossing).

7. Make a significant contribution to a cumulative reduction of landfill capacity or ability to properly dispose of refuse? _____ X _____

The project would make an incremental contribution to the reduced capacity of regional landfills. However, this contribution would be relatively small and would be of similar magnitude to that created by existing land uses around the project.

8. Result in a breach of federal, state, and local statutes and regulations related to solid waste management? _____ X _____

The proposed project would not breach federal, state or local statutes and regulations related to solid waste management.

L. Land Use, Population, and Housing

Does the project have the potential to:

1. Conflict with any policy of the County adopted for the purpose of avoiding or mitigating an environmental effect? _____ X _____

The project proposes to rezone the parcel and amend the General Plan from "Single-Family Residential - 10,000 square foot minimum parcel size (R-1-10)" and "Urban Low Residential (R-UL)," to "Multi-Family Residential (RM-2-R) and Parks, Recreation and Open Space (PR) zone districts," and "Urban High Residential (R-UH)/Urban Open Space Lands (O-U)" and a PUD. A total of 4.41 acres would be designated as R-UH, and 2.58 acres would be designated as O-U. Although the project proposes an increase in density, it is consistent with the General Plan Housing Element.

Government Code Section 65583(c) requires that the Housing Element set forth a "five-year schedule of actions" for meeting its housing needs, including units for households in various income categories as well as units for "special needs populations." Section 4.3 of the Housing Element aims to describe and quantify the need for units for each of these identified groups.

Regional Housing Share

Section 4.3.1 of the County of Santa Cruz General Plan states "California Government

Code Sections 65583(a)(1) and 65584 require that a Housing Element include "documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels...[including] the locality's share of the regional housing need." The overall housing unit demand for the Monterey Bay Area region is estimated by the California Department of Housing and Community Development (HCD). The Association of Monterey Bay Area Government (AMBAG) has constructed a Regional Housing Needs Determination (RHND) model to distribute HCD's projected demand for housing by jurisdiction within the region. Each jurisdiction is assigned a share of HCD's housing growth overall, as well as a number of units in various income categories so that lower income households will be appropriately distributed throughout the counties and region."

Regional Housing Needs Determination

Table 3 shows the AMBAG adopted RHND estimates for housing demand in each jurisdiction within Santa Cruz County, and for the entire Monterey Bay Area. AMBAG projected a need for 3,441 total new housing units in the unincorporated areas of Santa Cruz County (approximately 530 units per year) during the 7.5-year planning period between January 1, 2000 and June 30, 2007. AMBAG's determination included the allocation of housing units by income category as established by HCD's regional allocation. This allocation requires that 27 percent of new units be affordable to "very low income households" (households with income of less than 50 percent of the regional median income). Another 15 percent of new units must be affordable to "low income households" (earning 50 to 80 percent of the median), and 19 percent must be affordable to "moderate income households" (earning 80 to 120 percent of median). The remaining 39 percent of units are projected to be demanded by "above moderate" households earning greater than 120 percent of the median income.

Income Group	Total Housing Units Required	Above Moderate Income Units	Moderate Income Units	Low Income Units	Very Low Income Units
Regional Total	23,130	8,641	5,200	3,909	5,380
Monterey County	13,415	4,561	3,354	2,549	2,951
Santa Cruz County	9,715	4,080	1,846	1,360	2,429
Unincorporated Santa Cruz County Only	3,441	1,351	651	502	937
City of Capitola	337	150	63	41	82
City of Santa Cruz	2,850	1,204	543	410	694
City of Scotts Valley	804	289	161	122	232
City of Watsonville	2,283	1,087	428	284	484

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Less than
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Mitigation
Incorporation

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Or
No Impact

Not
Applicable

Housing Action Program

Section 4.7.3 of the General Plan Housing Element states "Section 65583(c) of the Government Code requires that housing elements contain "a program which sets forth a five year schedule of actions..." in order to implement stated goals, objectives and policies. Moreover, this program of actions is required to include programs that 1) identify sites available for new housing; 2) assist in development of housing; 3) reduce governmental constraints to housing; 4) improve the conditions and sustaining the amount of existing affordable housing units; 5) promote equal housing opportunities for all persons; 6) and preserve the number of existing housing units.

Goal 1 of the Housing Action Program is to "*Promote Production of Affordable Units.*" Through its planning and zoning regulations, Santa Cruz County will expand affordable housing production. Programs that expand the County's capacity to meet its affordable housing goals are described below.

Rezoning Program (20 units per acre)

Program Description: In order to provide expanded opportunities for very low and low income housing, develop new general plan and zoning policies which would provide for the following land uses:

1. Density of 20 units per acre based on the developable land area. Each site will be evaluated for developability and the number of units calculated based on 20 units per acre. The use and density of any site designated under this rezoning program and any project proposed under this rezoning program is established at the time the site is designated and will be by-right.
2. A minimum requirement that 40 percent of the units be deed-restricted with long-term affordability covenants, predominantly for low and very low income households.
3. A minimum site area of two net developable acres.
4. Incentives:
 - a. Use and density by-right as defined by Government Code Section 65583.2
 - b. Proposed development applications are exempt from CEQA.
 - c. Alternative site development standards as required by State Density Bonus Law (such as height and parking standards).
 - d. Priority processing and truncated review process for the proposed development.
 - e. Dedicated Funding.

Therefore, the proposed project is consistent with the County General Plan. The proposed project does not conflict with any policies adopted for the purpose of avoiding or mitigating an environmental effect.

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0710 Not Applicable
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2. Conflict with any County Code regulation adopted for the purpose of avoiding or mitigating an environmental effect?

X

Riparian Exception

A Riparian Exception is granted by the PUD for the nature trail and pedestrian footbridge, and/or a small animal keeping area. A separate Riparian Exception will be required for subsequent development on the project location in the riparian setback area.

Under Chapter 16.30.060 (d) of the County Code, specific findings must be made in order to allow a Riparian Exception. These findings in relation to the construction of a pedestrian crossing and the establishment of a 40-foot wetland buffer rather than a 100-foot buffer as specified in Chapter 16.32 of the County Code are presented below:

1. That there are special circumstances or conditions affecting the property;

One special circumstance affecting this parcel is the County's Housing Element requirement to designate parcels across the County for higher density housing. This parcel has been identified and selected by the Board of Supervisors as appropriate for rezoning and high-density use. Any subsequent housing development would be enhanced by limited use of the isolated northeast portion of this parcel is encouraged, which would require pedestrian access from the housing component to the open space.

The other condition affecting the property is the culvert at Minto Road. This culvert does not meet County drainage standards and replacement will be a requirement of any subsequent development, triggering the need for a Riparian Exception.
2. That the exception is necessary for the proper design and function of some permitted or existing activity on the property;

The approval of the PUD would permit access to and use of the northeast portion of the parcel isolated by the riparian corridor. An Exception would be necessary to allow a pedestrian crossing near the northern project boundary to access the eastern portion of the parcel for the purpose of passive recreation. It is also necessary to bring the culvert at Minto Road up to County standards and to mitigate for any downstream impacts that the upgrading of the culvert might lead to.
3. That the granting of the exception will not be detrimental to the public welfare or injurious to other property downstream or in the area in which the project is located;

The exception would allow for a pedestrian crossing and access to the northeast portion of the parcel. The animal keeping area will require a manure management plan to avoid impacts to the riparian corridor. The construction of drainage improvements, including a weir, will maintain

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	Not Applicable
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downstream flow levels at pre-development levels through the upgraded culvert, preventing downstream impacts.

4. That the granting of the exception, in the Coastal Zone, will not reduce or adversely impact the riparian corridor, and there is no feasible less environmentally damaging alternative; and

The proposed project is located outside of the Coastal Zone.

5. That the granting of the exception is in accordance with the purpose of this chapter, and with the objectives of the General Plan and elements thereof, and the Local Coastal Program Land Use Plan."

The riparian exception would be consistent with the General Plan amendment and zone change proposed under the project. The Riparian Exception conditions will be incorporated into the PUD that is being proposed as part of this project.

The proposed project does not conflict with any regulations adopted for the purpose of avoiding or mitigating an environmental effect.

3. Physically divide an established community? _____ X _____

The project would not include any element that would physically divide an established community.

4. Have a potentially significant growth inducing effect, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? _____ X _____

Although the project proposes a General Plan amendment and zone change, allowing the construction of 88 multi-family residences would not result in a potentially significant direct growth inducing effect. The project proposes a maximum development density of 20 dwelling units per usable acre on the project site. The project would rezone the parcel and amend the General Plan from "Single-Family Residential - 10,000 square foot minimum parcel size (R-1-10)" and "Urban Low Residential (R-UL)" to "Multi-Family Residential (RM-2-R)" and "Urban High Residential" with a PUD.

The proposed project (General Plan amendment, zone change and PUD) would not foster economic growth, or the construction of additional housing, either directly or indirectly in the surrounding environment. No expansion of wastewater treatment or other infrastructure is proposed. The project only proposes minor improvements to Minto Road in order to bring it up to County standards for safety and operational

Significant Or Potentially Significant Impact	Less than Significant with Mitigation Incorporation	Less than Significant Or No Impact	0712 Not Applicable
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purposes. As a result, no adverse impacts are anticipated.

- 5. Displace substantial numbers of people, or amount of existing housing, necessitating the construction of replacement housing elsewhere? _____

X

The proposed project would be constructed on vacant land and would entail a net gain in housing units.

M. Non-Local Approvals

Does the project require approval of federal, state, or regional agencies?

Yes X No _____

The project would require a Streambed Alteration Agreement (Section 1602) from the California Department of Fish and Game, a Nationwide 14 and 33 (Section 404) from the USACE, and a Water Quality Certification (Section 401) and a Construction Activities Storm Water General NPDES Permit from the Regional Water Quality Control Board. The project would also require a will serve letter from the City of Watsonville, Public Works and Utilities Department.

N. Mandatory Findings of Significance

1. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant, animal, or natural community, or eliminate important examples of the major periods of California history or prehistory? Yes _____ No X
2. Does the project have the potential to achieve short term, to the disadvantage of long-term environmental goals? (A short term impact on the environment is one which occurs in a relatively brief, definitive period of time while long term impacts endure well into the future) Yes _____ No X
3. Does the project have impacts that are individually limited, but cumulatively considerable ("cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, and the effects of reasonably foreseeable future projects which have entered the Environmental Review stage)? Yes _____ No X
4. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? Yes _____ No X

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References

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Watsonville Municipal Airport Master Plan Draft Environmental Impact Report.
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Correspondence from Scott Carson of the County of Santa Cruz Environmental Health Service to Ms. Jane Barr of Mid Peninsula Housing Corporation dated December 26, 2006.
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Minto Road Property Site Magnetic Field Evaluation Report, prepared for Steven Graves and Associates by Enertech Consultants. February 2004.
- Environmental Investigation Services 2006a.
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- Environmental Investigation Services 2006b.
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- Environmental Laboratory 1987.
Corps of Engineers Wetlands Delineation Manual. (Technical Report Y-87-1.) Vicksburg, Mississippi: U.S. Army Corps of Engineers Experiment Station. 1987.
- Fehr & Peers 2007.
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- Haro, Kasunich & Associates, Inc.
Geotechnical Investigation for Minto Road Subdivision APN 051-511-35, Watsonville, California. Prepared by Haro, Kasunich & Associates, April 2004.
- H.T. Harvey & Associates 2005.
Minto Road (APN 51-511-35): Riparian/Wetlands Habitat Assessment. Prepared by H.T. Harvey & Associates, Ecological Consultants, July 13, 2005.
- Mid Coast Engineers 2005. (Report not approved by DPW Drainage)
Letter from Richard Wadsworth, C.E to Stephen Graves regarding the 44-unit Subdivision on Minto Road dated July, 7, 2005.

Pajaro Valley Water Management Agency (PVWMA) 2002.

Pajaro Valley Water Management Agency Revised Basin Management Plan,
February 2002.

Swain, Gayland, Pers. Comm., City of Watsonville Utility Engineer, October 18, 2007.

UPP Geotechnology Inc. 2004.

Reconnaissance Geologic Investigation, Lands of Graves APN 051-511-35, Minto
Road, Santa Cruz County, California. September 17, 2004.

APPENDIX A

ORDINANCE GRANTING A PLANNED UNIT DEVELOPMENT AS
ALLOWED BY SANTA CRUZ COUNTY CODE RELATING TO
ESTABLISHMENT OF DEVELOPMENT STANDARDS FOR
APN: 051-511-35

ATTACHMENT 5

0718

For PUD Ordinance for APN 051-511-35, see Exhibit B to the April 23rd Planning Commission Staff Report.

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APPENDIX B

MINTO ROAD HIGH DENSITY HOUSING PROJECT SITE BIOTIC
ASSESSMENT PREPARED BY ECOSYSTEMS WEST CONSULTING
GROUP, AUGUST 13, 2007

Advice 4081-E
July 2, 2012

Attachment 5
Final Mitigated Negative Declaration and Notice of Determination



State of California—The Resources Agency
 DEPARTMENT OF FISH AND GAME
 2010 ENVIRONMENTAL FILING FEE CASH RECEIPT

RECEIPT# **393557**
 STATE CLEARING HOUSE # (if applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY

LEAD AGENCY Planning Dept. DATE 8/6/10
 COUNTY STATE AGENCY OF FILING Santa Cruz DOCUMENT NUMBER

PROJECT TITLE Minto Road Housing Site
 PROJECT APPLICANT NAME County of Santa Cruz for Minto Assocs LP PHONE NUMBER 831 454-2580
 PROJECT APPLICANT ADDRESS 701 Ocean St, 4th Floor CITY Santa Cruz STATE CA ZIP CODE 95060

PROJECT APPLICANT (Check appropriate box):
 Local Public Agency School District Other Special District State Agency Private Entity

CHECK APPLICABLE FEES:

- Environmental Impact Report (EIR) \$2,792.25 \$
- Mitigated/Negative Declaration (ND)(MND) Year 2008 Fees 1,876.75 \$2,010.25 \$ 4,876.75
- Application Fee Water Diversion (State Water Resources Control Board Only) \$850.00 \$
- Projects Subject to Certified Regulatory Programs (CRP) \$949.50 \$
- County Administrative Fee \$50.00 \$ 50.00
- Project that is exempt from fees
 - Notice of Exemption
 - DFG No Effect Determination (Form Attached)
 - Other Journal Entry # JN54846 \$ 1,926.75

PAYMENT METHOD:

- Cash Credit Check Other

TOTAL RECEIVED \$ 1,926.75

SIGNATURE Alicia Murcia TITLE Deputy Clerk



COUNTY OF SANTA CRUZ

0651

PLANNING DEPARTMENT

027-10

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

TOM BURNS, PLANNING DIRECTOR

NEGATIVE DECLARATION AND NOTICE OF DETERMINATION

Application Number: **07-0322**

County of Santa Cruz, for MP Minto Associates LP

The project proposes a General Plan amendment, zone change, Riparian Exception, and Planned Unit Development (PUD) allowing a maximum development density of 20 dwelling units per usable acre on the project site. The project also proposes a Local Agency Formation Commission (LAFCo) annexation for extraterritorial water service from the City of Watsonville Public Works and Utilities Department. The PUD would also require any development proposal on the parcel to provide a minimum of forty percent of the total number of units as affordable. Following project approval, future development of the project site would be by-right in that the use and density for the site would not be discretionary. The site contains a maximum of 4.41 usable acres equating to a maximum of 88 dwelling units. The remaining 2.58 acres would provide open space to protect onsite wetland and riparian areas, provide for a commercial agricultural buffer, and buffer against electromagnetic frequencies (EMF) emitted by the onsite 115kV PG&E power line. The project would rezone the parcel and amend the General Plan from "Single-Family Residential - 10,000 square foot minimum parcel size (R-1-10)" and "Urban Low Residential (R-UL)" to "Multi-Family Residential - 2,000 square foot minimum parcel size, Regional Housing Need Site (RM-2-R) and Parks, Recreation and Open Space (PR)" zone districts with "Residential - Urban High (R-UH)/Urban Open Space Lands (O-U)" general plan designations, and PUD. The project is located on the north side of Minto Road at its intersection with Meidl Avenue, east of Green Valley Road in the Pajaro Valley planning area of unincorporated Santa Cruz County, California.

APN: **051-511-35**

Todd Sexauer, Staff Planner

Zone District: R-1-10

ACTION: Negative Declaration with Mitigations

REVIEW PERIOD ENDS: April 1, 2008

This project will be considered at a public hearing by the Planning Commission. The time, date and location have not been set. When scheduling does occur, these items will be included in all public hearing notices for the project.

Findings:

This project, if conditioned to comply with required mitigation measures or conditions shown below, will not have significant effect on the environment. The expected environmental impacts of the project are documented in the Initial Study on this project attached to the original of this notice on file with the Planning Department, County of Santa Cruz, 701 Ocean Street, Santa Cruz, California.

Required Mitigation Measures or Conditions:

None
 Are Attached

Review Period Ends April 1, 2008

Date Approved By Environmental Coordinator April 15, 2008

CLAUDIA SLATER
Environmental Coordinator
(831) 454-5175



If this project is approved, complete and file this notice with the Clerk of the Board:

NOTICE OF DETERMINATION

THIS NOTICE HAS BEEN POSTED AT THE CLERK OF THE BOARD OF SUPERVISORS OFFICE FOR A

The Final Approval of This Project was Granted by Board of Supervisors

PERIOD COMMENCING 8/6 2010

on June 10, 2008. No EIR was prepared under CEQA.

AND ENDING 9/5 2010

THE PROJECT WAS DETERMINED TO NOT HAVE SIGNIFICANT EFFECT ON THE ENVIRONMENT.

Date completed notice filed with Clerk of the Board: August 6, 2010

71

NAME: Minto Housing Project
APPLICATION: 07-0322
A.P.N: 051-511-35

NEGATIVE DECLARATION MITIGATIONS

I) Mitigation Measures

- A) Prior to the issuance of any subsequent permit or development activity, the applicant must ensure the following conditions are met:
- 1) In order to mitigate potential impacts from seismic related events, plans for any subsequent development must incorporate conventional spread footings or pier and grade beam foundations, and the recommendations contained within Section IV (D)(1) of the PUD.
 - 2) In order to prevent erosion, off site sedimentation, and pollution of creeks, prior to start of site work the applicant shall submit a detailed erosion control plan for review and approval by County Resource Planning staff. The plan shall include a clearing and grading schedule, clearly marked disturbance envelope, revegetation specifications, temporary road surfacing and construction entry stabilization, and details of temporary drainage control.
 - 3) To prevent drainage discharges from carrying silt, grease, and other contaminants from paved surfaces into nearby waterways, the applicant shall ensure that water quality treatment units, and a plan for maintenance, are incorporated in all parking, driveways, and roadway designs.
 - 4) In order to mitigate potential impacts to drainage patterns from storm events, the applicant shall incorporate the following measures into all improvement, grading and drainage plans, which shall be adequate to control runoff from a 5-year storm:
 - (a) Due to the presence of onsite soils that have low permeability (i.e., Watsonville loam and Pinto loam), onsite detention will be required. All runoff shall be detained or dispersed over non-erodible vegetated surfaces so that the runoff rate does not exceed the predevelopment level. Any policies and regulations for any drainage zones where the project is located will also apply.
 - (b) Any concentrated runoff that cannot be effectively dispersed without causing erosion shall be carried in non-erodible channels or conduits to the nearest drainage course designated for such purpose by the Planning Department or to on-site percolation devices. Where water will be discharged to natural ground or channels, appropriate energy dissipaters shall be installed to prevent erosion at the point of discharge.

- (c) Runoff from disturbed areas shall be detained or filtered by berms, vegetated filter strips, catch basins, or other means as necessary to prevent the escape of sediment from the disturbed area.
 - (d) No earth or organic material shall be deposited or placed where it may be directly carried into a stream, marsh, slough, lagoon, or body of standing water.
- 5) In order to prevent downstream impacts from storm events, under the proposed project, the existing 30-inch diameter corrugated metal culvert under Minto Road shall be replaced with an upsized culvert that has the capacity to accommodate existing flows during a 5-year storm event. New headwalls and wing walls shall be constructed to protect the crossing from erosion. At the stream crossing, Minto Road shall also be designed to accommodate the Safe 25-Year Overflow. The following mitigations are required to mitigate impacts from the changes in drainage patterns:
- (a) In order to avoid impacts to onsite wetlands from an increase in downstream flows from upsizing the culvert, a weir shall be installed immediately upstream of the culvert inlet. The weir shall be designed to maintain existing downstream flows (prior to culvert upsizing). This will detain the current level of water upstream of the culvert maintaining the existing area of wetland and riparian habitat. The final design will be subject to the review and approval by the County of Santa Cruz Department of Public Works (DPW) prior to the issuance of any permit.
 - (b) All runoff for up to a 10-year storm event shall be detained on the site. The allowable release rate from the site shall be limited to the 5-year predevelopment flow rates based on known restrictions in Salsipuedes Creek. All runoff from parking and driveway areas shall go through water quality treatment prior to discharge from the site. Outsloping of driveways to drain to landscaped areas for filtering prior to discharge from the site should be considered. If structural treatment is proposed, a recorded maintenance agreement(s) is required. This agreement shall be signed, notarized, and recorded, and a copy of the recorded agreement shall be submitted to the County DPW. The agreement shall include the following at a minimum:
 - (i) The traps shall be inspected to determine whether they need cleaning or repair prior to October 15 each year at a minimum;
 - (ii) A brief annual report shall be prepared by the trap inspector at the conclusion of each October inspection and submitted to the Drainage Section of DPW within 5 days of inspection. This monitoring report shall specify any repairs that have been done or that are needed to allow the trap to function adequately.

- (c) A comprehensive storm water management plan shall be provided to the Drainage Section of DPW for review and approval that clearly describes existing and proposed conditions for the site in terms of impervious area coverage, grading and drainage patterns, and proposed best management practices. The plan shall show downspouts, drainage collection locations and pathways of runoff. It shall also include energy dissipation on sloping grades, show where and how runoff enters and exits the subject property, and account for runoff from all impervious areas (i.e., roofs, paved areas, patios, walkways, etc.). The final storm water management plan shall be consistent with other project plans including grading, landscaping etc.
 - (d) The project shall provide permanent markings at each drainage inlet that read: "NO DUMPING - DRAINS TO BAY", or equivalent. The property owner shall be responsible for maintaining these markings.
 - (e) A review letter from a Geotechnical Engineer shall be submitted to the County DPW approving the final drainage plans prior to issuance of a building permit.
 - (f) Because the proposed project would result in a land disturbance of one acre or more, a Construction Activities Storm Water General National Pollutant Discharge Elimination System (NPDES) Permit shall be obtained from the Regional Water Quality Control Board prior to any site disturbance. Construction activities include clearing, grading, excavation, stockpiling, and reconstruction of existing facilities involving removal and replacement
- 6) In order to mitigate for impacts to the riparian and wetland areas, and to ensure compliance with Chapter 16.30 of the County Code, a Riparian Exception has been issued as a component of this project. An exotic plant species eradication plan and a riparian/wetland restoration plan are conditions of the Riparian Exception and must be approved by the County Planning Department prior to any development activities.
- 7) In order to prevent impacts from nighttime lighting on sensitive habitat and the neighborhood, the following conditions must be incorporated into any subsequent development and reflected on all development plans:
- (a) All site, building, security and landscape lighting shall be directed onto the site and away from adjacent properties and the riparian wetland area. Light sources shall not be visible from adjacent properties. Light sources can be shielded by landscaping, structures, fixture design or other physical means. Building and security lighting shall be integrated into the building design.

- (b) All lighted parking and circulation areas shall utilize low-rise light posts (standards) or light fixtures attached to the building. Light standards to a maximum height of 15 feet are allowed.
 - (c) Area lighting shall be high-pressure sodium vapor, metal halide, fluorescent, or equivalent energy-efficient fixtures.
- 8) In order to reduce impacts from exposure to electro-magnetic fields associated with power lines, any subsequent development shall include the placement of the underground 21kV transmission line in an appropriate insulator to further reduce the electric and magnetic fields.
- B) In order to mitigate impacts from construction-related activities, the applicant for any subsequent development shall ensure that the following measures are incorporated into the final construction design plans for the proposed project and are in place during construction:
- 1) All grading activities shall be prohibited during periods of high wind (over 15 mph).
 - 2) Chemical soil stabilizers shall be applied on inactive construction areas (disturbed lands within construction projects that are unused for at least four consecutive days).
 - 3) Non-toxic binders (e.g., latex acrylic copolymer) shall be applied to exposed areas after cut and fill operations and the area shall be hydroseeded.
 - 4) Haul trucks shall maintain at least 2'0" of freeboard.
 - 5) All trucks hauling dirt, sand, or loose materials shall be covered.
 - 6) Vegetative ground cover shall be planted in disturbed areas as soon as possible.
 - 7) Inactive storage piles shall be covered.
 - 8) Wheel washers shall be installed at the entrance to construction sites for all exiting trucks.
 - 9) Streets shall be swept if visible soil material is carried out from the construction site.
- C) In order to ensure adequate access for fire protection, the driveway and access road shall be designed and constructed to the following standards prior to any framing construction, or construction will be stopped:

- 1) The driveway shall have a minimum width of 20 feet with a maximum of 20 percent slope.
- 2) The driveway surface shall be "all weather", a minimum 6 inches of compacted aggregate base rock, Class 2 or equivalent, certified by a licensed engineer to 95 percent compaction and 2 inches of asphalt concrete, and shall be maintained.
- 3) All weather surface shall be a minimum of 6 inches of compacted Class 2 base rock for grades up to and including 5 percent, oil and screened for grades up to and including 15 percent and asphalt concrete for grades exceeding 15 percent, but in no case exceeding 20 percent.
- 4) The maximum grade of the driveway shall not exceed 20 percent, with grades of 15 percent not permitted for distances of more than 200 feet at a time.
- 5) The driveway shall have an overhead clearance of 14 feet vertical distance for its entire width.
- 6) A turn-around area that meets the requirements of the fire department shall be provided for access roads and driveways in excess of 150 feet in length.
- 7) Drainage details for the road or driveway shall conform to current engineering practices, including erosion control measures.
- 8) All private access roads, driveways, and turn-arounds are the responsibility of the owner(s) of record and shall be maintained to ensure the fire department safe and expedient passage at all times.
- 9) The driveway shall be thereafter maintained to these standards at all times.
- 10) All culverts and crossings, excluding the pedestrian footbridge, shall be certified by a registered engineer, have a minimum capacity of 25 tons with a Caltrans H-20 loading standard.

Advice 4081-E
July 2, 2012

Attachment 6
Mitigation and Monitoring Plan



H. T. HARVEY & ASSOCIATES
ECOLOGICAL CONSULTANTS

**MINTO PLACE APARTMENTS
MITIGATION AND MONITORING PLAN**

Prepared By

H. T. Harvey & Associates

Patrick Boursier, Ph.D., Principal
Dan Stephens, B.S., Senior Restoration Ecologist
Matt Quinn, M.S., Project Manager
Donna Ball, M.S., Restoration Ecologist

Prepared For

Mid Peninsula Housing Coalition
c/o Mr. Joe Kirchofer, Project Manager
303 Vintage Park Drive, Suite 250
Foster City, CA 94404

9 September 2009

Project # 2420-02



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PROJECT REQUIRING MITIGATION

PROJECT SUMMARY

Mid Peninsula Housing Coalition is proposing to construct up to 88 residential apartment units on a 6.9 acre project site located on the north side of Minto Road, at its intersection with Meidl Avenue in Watsonville, Santa Cruz County, California (Figure 1). The proposed project includes a community garden, a park and a community center.

The majority of the site has been extensively disturbed as a result of historic orchard farming and now comprises annually-mowed grassland. The eastern one-third of the site includes a low gradient, unnamed, intermittent drainage channel supporting a single linear wetland feature and a narrow corridor of willow riparian habitat. The surrounding area off-site is characterized by detached single-story residential homes. PG&E substation and high-voltage power lines are located directly adjacent to the east side of the study area, and a small portion of this land is included as an easement within the project area boundaries.

In order to prevent downstream impacts to U.S. Army Corps of Engineers (USACE) jurisdictional wetlands within the drainage channel, the proposed project includes replacement of an existing 30-inch diameter culvert beneath Minto Road with an upsized 36-inch diameter culvert that has the capacity to accommodate existing flows during a 5-year storm event. The south side of the 36-inch culvert will be held in place by a new concrete head wall with two wing walls and a 5 ft ungrouted cobblestone rock apron installed directly adjacent to the south side of Minto Road to protect the downstream portion of the crossing from erosion. In order to prevent upstream impacts to USACE jurisdictional wetlands as a result of increased flows from upsizing the culvert, a stormwater detention weir that includes a stacked concrete slope protection apron shall be installed on the north side of Minto Road directly adjacent to the proposed new culvert inlet. The stormwater detention weir will be designed to maintain existing downstream flows (prior to culvert upsizing). This will also detain the current level of water upstream of the culvert to maintain the existing wetland area on the north side of Minto Road.

To construct the proposed improvements, a temporary sandbag coffer dam shall be placed in the channel approximately 10 ft upstream of the proposed weir location, and a dewatering pump will be used to bypass flows during project construction. The temporary coffer dam will be installed and removed by hand crews and no mechanical or heavy equipment will be used. The discharge point downstream of the construction zone shall be placed in the channel approximately 10 ft south of the proposed head wall and wing walls on the south side of Minto Road.

Installation of the new 36-inch culvert, head wall and wing walls with a 5 ft ungrouted cobblestone rock apron and a stormwater detention weir with stacked concrete slope protection will result in up to 342 sq ft of permanent impacts to USACE jurisdictional wetlands and 5571 sq ft of impacts to California Department of Fish and Game (CDFG) jurisdictional riparian habitat.

The proposed improvements also include prevention of drainage discharges from carrying silt, grease, and other contaminants from paved surfaces into the adjacent intermittent drainage channel supporting wetlands. Due to the presence of onsite soils that have low permeability (i.e.,

Watsonville loam and Pinto loam), onsite detention will be provided. All runoff will be detained or dispersed over non-erodible vegetated surfaces so that the runoff rate does not exceed the predevelopment level. Any concentrated runoff that cannot be effectively dispersed without causing erosion will be carried in non-erodible channels or conduits toward the drainage channel. Where water will be discharged to natural ground, three energy dissipaters will be installed to prevent erosion at their points of discharge along the west side of the wetland buffer zone outside of USACE and CDFG jurisdictional habitats (Figure 2). No temporary or permanent impacts to USACE or CDFG jurisdictional habitats shall occur as a result of these proposed improvements.

This Mitigation and Monitoring Plan presents the proposed mitigation planting plan, an implementation plan, a monitoring plan and a maintenance plan for the mitigation site, as well as performance standards to ensure mitigation success. Also included herein are details of an invasive species removal plan and an appendix which summarizes additional native plantings proposed by the development's landscape architect, within the wetland buffer area (Appendix A).

LOCATION

The proposed project is located on the north side of Minto Road, at its intersection with Meidl Avenue, east of Green Valley Road in Watsonville, Santa Cruz County, California (Figure 1).

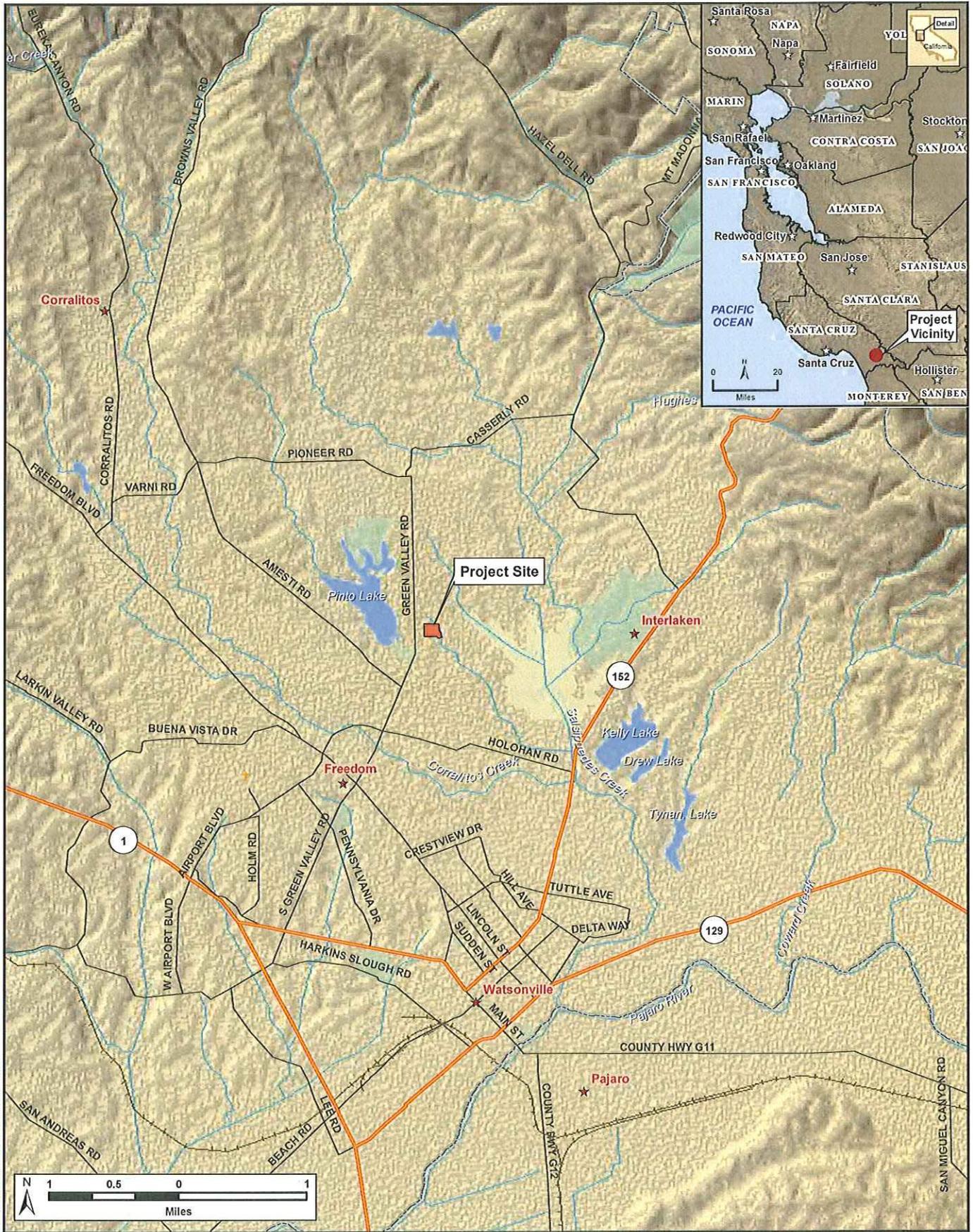
TYPES, FUNCTIONS, AND VALUES OF THE IMPACT AREA

Overview

Mid Peninsula Housing Coalition is proposing to construct a Planned Unit Development (PUD) on 6.9 acres in Watsonville, Santa Cruz County, California (Figure 1). The Minto Place apartment development proposes to construct up to 19 apartment buildings comprising 88 units on the project site, which is located on the north side of Minto Road approximately 500 ft east of its intersection with Green Valley Road. The vast majority of the proposed project will be located outside any jurisdictional habitats. However, the existing culvert crossing under Minto Road will be replaced and upgraded. Work associated with the culvert crossing will result in some impacts to the bed and banks (i.e., riparian and wetland habitats) along the unnamed drainage located on the project site (Figure 2). The riparian and wetland habitats on site are of relatively low quality and are dominated by non-native Himalayan blackberry (*Rubus discolor*), native blackberry (*Rubus ursinus*), poison oak (*Toxicodendron diversilobum*), and pampas grass (*Cortaderia jubata*), interspersed with a few arroyo willow (*Salix lasiolepis*) trees and scattered areas of wetland plants including narrow-leaved cattail (*Typha angustifolia*), water smartweed (*Polygonum amphibium*), tall umbrella sedge (*Cyperus eragrostis*), and common rush (*Juncus effusus*).

Impact Assessment

Prior to conducting an on site impact assessment, H. T. Harvey & Associates revised a previously completed wetland delineation and reviewed the proposed construction plans to assess impacts to jurisdictional habitats (LPMD Architects 2007). H. T. Harvey & Associates met with the project engineer and contractor on site on 29 July 2009 to field check and confirm



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Figure 1: Vicinity Map
 Minto Place Apartments - Streambed Alteration
 Agreement Report (2420-02)
 August 2009

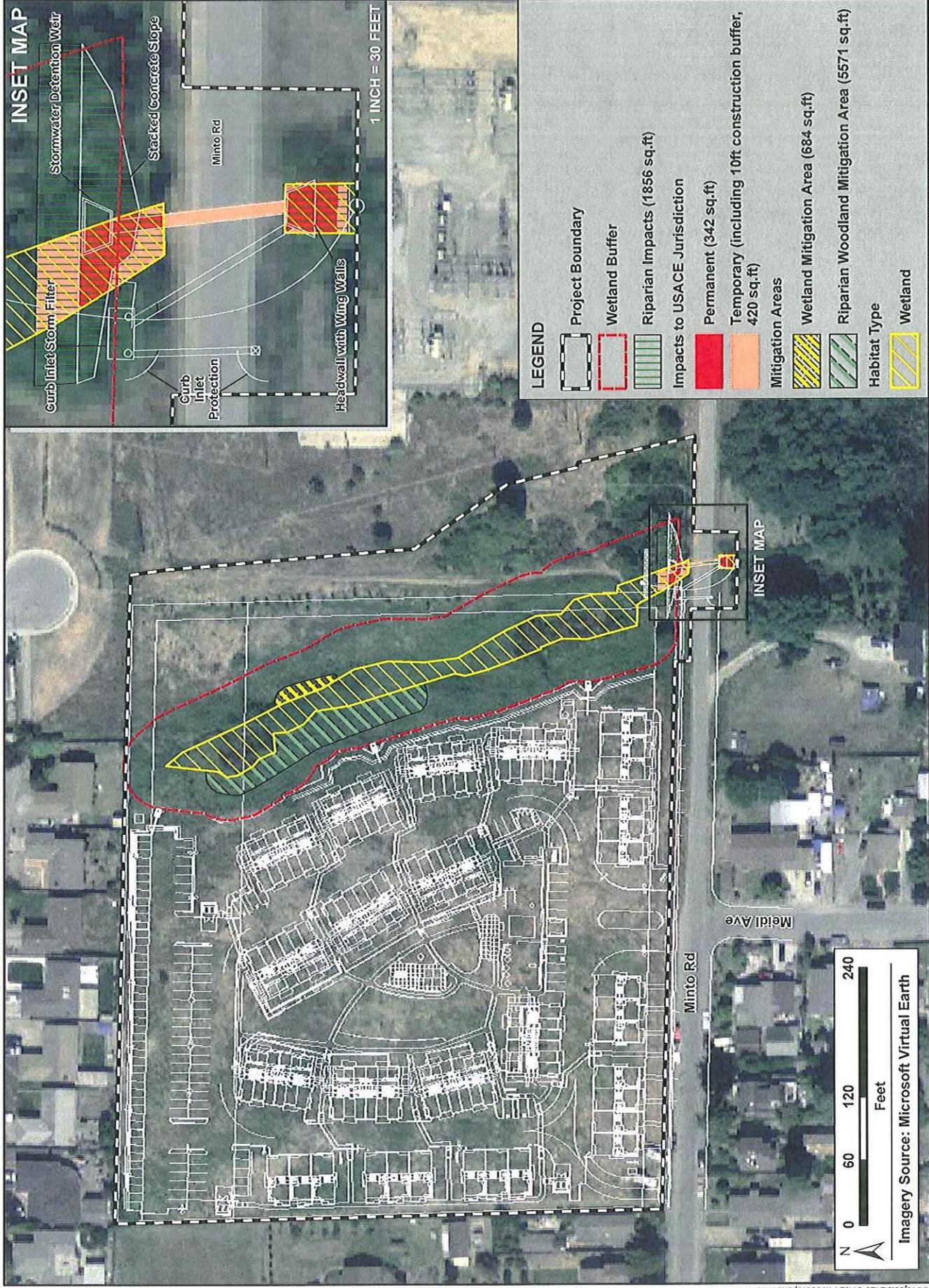


Figure 2: Impact and Mitigation Areas
 Minto Place Apartments - Mitigation Monitoring Report (2420-02)
 August 2009

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the impact assessment. Table 1 provides a summary of the proposed impacts to wetland and riparian habitat at the Minto Place site.

Table 1. Wetland and Riparian Impacts.

HABITAT TYPE	IMPACT DESCRIPTION	IMPACTS (SQ. FT)	JURISDICTION
Wetland	Culvert replacement and road widening	342	USACE
Riparian	Culvert replacement and road widening	1857	CDFG

U.S. Army Corps of Engineers (USACE) Jurisdictional Area. Impacts to USACE jurisdictional area were determined by assessing the square footage of impacts to the bed and banks of the channel, below ordinary high water. Permanent impacts (342 ft²) to USACE jurisdictional area will result from the upgrade of the culvert, construction of the associated weir and placement of gravel fill within the channel at the culvert outlet. There will also be a total of 420 sq ft of temporary impacts to USACE jurisdictional habitat associated with construction of the new creek crossing.

California Department of Fish and Game (CDFG) Jurisdictional Area. The culvert replacement and weir construction will result in 1857 sq ft of impacts to riparian habitat within CDFG jurisdiction. These impacts include the removal of one single trunk arroyo willow (6 inch diameter at breast height (dbh)), one multi-trunk arroyo willow (two - 8 inch dbh trunks), and some limited pruning of additional willow canopy to allow for equipment access.

Characterization of Impact Areas

Wetland. The wetland habitat at the culvert impact site is confined to the bed and banks of the channel. The wetland habitat consists of water smartweed, tall umbrella sedge, and common rush.

Riparian. The riparian habitat at the impact site is dominated by arroyo willow, rooted both along the banks and beyond the top of bank. The riparian habitat also has an understory dominated by non-native Himalayan blackberry, native blackberry, and poison oak

Topography. The site is located in the Watsonville West USGS quadrangle map. The topography in the general vicinity of the project area is relatively flat rolling agricultural land. Elevations on-site range from approximately 75 to 120 ft National Geodetic Vertical Datum (NGVD). Average annual precipitation for the site ranges from 20 to 35 inches and the average annual temperature varies from 55 to 58 °F (SCS 1980).

Soils/Substrate. The U. S. Soil Conservation Service Soil Survey of Santa Cruz County classifies the soils in the study area as Pinto loam, 0 to 2 percent slopes, Watsonville loam, 0 to 2 percent slopes, and Watsonville loam, 2 to 15 percent slopes (SCS 1980). The Pinto loam is a very deep, moderately well-drained soil formed in alluvium and marine deposits on coastal terraces. Permeability of Pinto loam is slow with slow runoff potential. The Watsonville loam is a very deep, somewhat poorly drained soil on coastal terraces. Permeability of this soil type is

very slow (SCS 1980). The Watsonville loam is listed as hydric soil under the Santa Cruz County Hydric soils list (SCS 1992).

Hydrology. The Minto Place property is characterized by a flat, ruderal terrace with a low gradient, intermittent drainage along the eastern edge of the property.

Vegetation. Vegetation along the drainage is dominated by arroyo willow, Himalayan blackberry, California blackberry, and poison oak. Within the drainage the vegetation consists of water smartweed, tall umbrella sedge, and common rush. In addition to these species, there are patches of narrow-leaved cattail and rush (*Juncus* sp.) along the drainage upstream of the impact site. The upland areas adjacent to the drainage are dominated by ruderal grassland, Himalayan blackberry, and scattered clumps of coyote brush (*Baccharis pilularis*). The ruderal grassland is dominated by non-native grasses and forbs such as rat-tail fescue (*Vulpia myuros*), slender wild-oat grass (*Avena barbata*), soft chess brome (*Bromus hordeaceus*), ripgut brome (*Bromus diandrus*), Italian ryegrass (*Lolium multiflorum*), wild radish (*Raphanus sativus*), bur clover (*Medicago polymorpha*), white-stemmed filaree (*Erodium botrys*), dock (*Rumex* sp.), morning glory (*Convolvulus arvensis*) and clover (*Trifolium* sp.).

Wildlife. The project site in its current state provides suitable habitat for a variety of common wildlife species. The non-native annual grassland and shrubs in the upland areas provide cover and forage for species such as western fence lizards (*Sclerophorus occidentalis*), gopher snakes (*Pituophis catenifer*), American goldfinches (*Spinus tristis*), and California voles (*Microtus californicus*). The riparian and wetland habitat within the drainage is likely to support wildlife such as Pacific tree frogs (*Pseudacris regilla*), California slender salamanders (*Batrachoseps attenuatus*), chestnut-backed chickadees (*Poecile rufescens*), California towhees (*Pipilo crissalis*), and house finches (*Carpodacus mexicanus*). Raptors such as American kestrels (*Falco sparverius*), Cooper's hawks (*Accipiter cooperi*), and red-shouldered hawks (*Buteo lineatus*) may forage in the project area, although the small and isolated nature of the drainage makes it unlikely that these species would nest there. Isolated patches of riparian habitat such as the drainage on the project site are sometimes used as stopover habitat by migrating songbirds, and the site may be used as a refuge by medium-sized mammals such as Virginia opossums (*Didelphis virginianus*), striped skunks (*Mephitis mephitis*), raccoons (*Procyon lotor*), and coyotes (*Canis latrans*) that are habituated to urban landscapes.

Threatened/Endangered Wildlife Species

A biotic assessment of the project study area conducted by Ecosystems West Consulting Group on 26 June 2007 concluded that no special-status plant or animal species were observed or were likely to occur on the project site (Ecosystems West 2007). The site does not provide suitable habitat for any endangered or threatened birds or mammals known to occur in the project vicinity.

MITIGATION APPROACH

INTRODUCTION

The goal of this mitigation plan is to compensate for impacts to riparian and wetland habitat resulting from construction of the upgraded drainage crossing at Minto Road. The proposed mitigation plan consists of installation of 5571 sq ft of riparian woodland plantings and 684 sq ft of wetland plantings to create new riparian woodland and wetland habitat (Figure 2). Non-native, invasive vegetation, including all pampas grass and particular areas of non-native Himalayan blackberry, will be removed to enhance overall habitat quality and to promote the successful establishment of the riparian woodland and wetland plantings. The mitigation planting design includes dense riparian woodland plantings that will facilitate conversion of areas dominated by non-native Himalayan blackberry to riparian woodland by eventually shading out the blackberry.

The project proponent will also implement a separate Riparian Woodland and Wetland Planting Plan which includes planting 9673 square feet of riparian woodland species, consistent with this Mitigation and Monitoring Plan, throughout the majority of the wetland buffer area. This plan was developed by Dillon Design Associates (DDA) in response to requirements by Santa Cruz County (County) for a riparian exception per the County Riparian Corridor Protection Ordinance. H. T. Harvey & Associates and DDA coordinated closely to ensure the Riparian Woodland and Wetland Planting Plan was consistent with this Mitigation and Monitoring Plan. Appendix A includes DDA's plan. The County also required the project to implement an exotic plant species eradication plan. H. T. Harvey & Associates and DDA also coordinated on this and the plan is included within this Mitigation and Monitoring Plan as well as in the general notes on DDA's plan (Appendix A).

OWNERSHIP STATUS

Mid Peninsula Housing Coalition owns the property. The contact person for Mid Peninsula Housing Coalition is Mr. Joe Kirchofer.

BASIS FOR DESIGN

Wetland Habitat

Approximately 684 sq ft of wetland habitat will be created on site to mitigate for impacts to USACE jurisdictional areas. The wetland mitigation area is located onsite immediately adjacent to the existing wetland and within the designated wetland buffer area (Figure 2). The wetland mitigation area will be graded to match elevations within the existing wetland supporting the target species.

Riparian Woodland

Approximately 5571 sq ft of riparian woodland habitat will be created on site to mitigate for impacts to CDFG jurisdictional areas. The riparian woodland habitat will be created within a portion of the designated wetland buffer area (Figure 2).

Exotic Plant Species Eradication Plan

In addition to mitigation for riparian and wetland impacts, an exotic plant species eradication plan is included as part of this Mitigation and Monitoring Plan to ensure compliance with conditions of the Santa Cruz County Riparian Exception permit. The control of exotic invasive species will include the removal of all pampas grass plants within the existing wetland and wetland buffer. Non-native Himalayan blackberry will be manually removed within the riparian and wetland mitigation areas and mowed throughout the remainder of the wetland and wetland buffer area. The Himalayan blackberry may also require removal from specific planting locations for the enhancement plantings. It is anticipated that the proposed riparian mitigation and enhancement plantings will eventually shade out the non-native Himalayan blackberry and convert the site to a native dominated riparian/wetland corridor.

PROPOSED MITIGATION RATIOS

Permanent impacts to USACE jurisdictional wetland habitat will be mitigated at a replacement ratio of 2:1 (surface area to be planted: surface area of impact). Temporary impacts to USACE jurisdictional area will be mitigated by returning the areas to pre-existing conditions. Mitigation for temporary impacts will include broadcast or hydroseeding the areas with native meadow barley (*Hordeum brachyantherum*) for erosion control and interim replacement of habitat. Impacts (permanent and temporary) to CDFG jurisdictional riparian habitat will be mitigated at a replacement ratio of 3:1 (surface area to be planted:surface area impacted) will be implemented. Table 2 provides a summary of the impacts to jurisdictional habitats and the proposed mitigation.

Table 2. Relationship of Impact Acreage to Mitigation Acreage.

RESOURCE TYPE	IMPACT TYPE	IMPACT (FT ²)	MITIGATION RATIO	MINIMUM MITIGATION ACREAGE (FT ²)
USACE Jurisdiction/Wetlands	Permanent	342	2:1	684
CDFG Jurisdiction/Riparian Habitat	Permanent and Temporary	1857	3:1	5571
USACE Jurisdiction/Wetlands	Temporary	334	Return to pre-existing conditions	334

Time Lapse

The riparian and wetland plantings should be well on their way toward long-term establishment and reproduction within 10 years of installation.

EXISTING FUNCTIONS AND VALUES OF PROPOSED MITIGATION SITE

Riparian and wetland impacts will be mitigated on site within the designated wetland buffer area (Figure 2). H. T. Harvey & Associates assessed the wetland buffer area and confirmed its suitability for supporting the target mitigation habitats in July 2009.

Topography. The topography of this area is essentially the same as the impact site (see above).

Soils/Substrate. The soils within the mitigation area are mapped the same as for the impact site (Pinto loam, 0 to 2 percent slopes, Watsonville loam, 0 to 2 percent slopes, and Watsonville loam, 2 to 15 percent slopes) (SCS 1980) and are suitable for restoration.

Hydrology. The wetland buffer area is situated within a low gradient intermittent drainage swale that traverses the property along its northeast boundary. The swale collects surface water runoff during the winter from on site, as well as from a stormdrain culvert outlet that drains from the east end of Hastings Lane in the residential development to the north of the site and directs water to the channel. Water within the shallow swale is conveyed south through a 30-inch culvert installed beneath Minto Road. Downstream of Minto Road the channel becomes a more defined channel and continues running south to its confluence with Salsipuedes Creek.

Vegetation. The entire project site was historically managed as an agricultural area. In the recent past the site has been left fallow and the only active management has been periodic mowing for fire control. The wetland buffer area is currently dominated by non-native Himalayan blackberry, native blackberry, poison oak, coyote brush and annual grasses and forbs such as, soft chess (*Bromus mollis*), ripgut brome (*Bromus diandrus*), slender oat (*Avena barbata*), prickly lettuce (*Lactuca serriola*), rough cat's-ear (*Hypochaeris radicata*) and common vetch (*Vicia sativa*).

Wildlife. The suite of wildlife species expected to occur on the mitigation site is similar to the impact areas described above, and may include common riparian-associated and urban-adapted species such as Pacific tree frogs, California slender salamanders, chestnut-backed chickadees, house finches, Cooper's hawks, red-shouldered hawks, California voles, Virginia opossums, striped skunks, and raccoons.

MITIGATION SITE OWNERSHIP STATUS

Mid Peninsula Housing Coalition owns the proposed mitigation area.

TYPE, FUNCTIONS, AND VALUES OF HABITAT TO BE CREATED

The goals of the proposed mitigation are based on the following objectives:

- Create a minimum of 684 ft² of self-sustaining USACE wetland habitat and 5571 ft² of CDFG riparian woodland habitat on site
- Locate the mitigation onsite in areas least likely to be subject to disturbance in the future
- Minimize the extent of mitigation grading and maintain the character of the existing natural topography in the area around the mitigation riparian and wetland habitat

USACE Jurisdictional Area

A minimum of 684 ft² of USACE jurisdictional wetlands will be established 3-5 years following mitigation site construction.

Soils and Hydrology. The soils and hydrology at the wetland mitigation area are considered suitable for the successful establishment of wetland habitat along the existing drainage.

Vegetation. The habitat of the wetland mitigation area will be similar in composition to the impact site and will be dominated by suite of native and non-native hydrophytes such as creeping spikerush, tall umbrella sedge, cattail, and rush species, interspersed with arroyo willow trees. Active planting of native, seasonal wetland species will accelerate the rate of vegetation development and encourage the development of quality wetland habitat.

CDFG Jurisdictional Area/Riparian Woodland Habitat

A minimum of 5571 ft² of CDFG jurisdictional riparian woodland habitat will be created following mitigation site construction. Additional plantings proposed by DDA will provide another 9673 sq ft of riparian habitat.

Soils and Hydrology. The soils and hydrology within the riparian habitat mitigation area are suitable for the successful establishment of riparian habitat adjacent to the existing drainage.

Vegetation. Impacts to CDFG jurisdictional area/riparian habitat will be mitigated by planting within the wetland buffer area, thereby expanding the width of the existing riparian corridor via establishment of native tree and shrub species as described below. The target tree and shrub species composition is based on observations of the distribution of dominant native species on the site and is more fully described in the planting plan below.

Wildlife. The riparian mitigation planned for the site will substantially improve this habitat for a variety of taxa. The increase in cover and diversity of native plants will provide improved forage for native birds and mammals, and more shelter for amphibians. An increase in the acreage and density of willows and native understory bushes will provide more extensive and higher quality nesting habitat, and will reduce the threat of nest predation and parasitism. Additionally, the expansion of the riparian corridor will increase and improve habitat for migratory birds during the stopover period, and the establishment of more willows and trees such as coast live oaks and box elder may eventually provide suitable nesting habitat for some raptors.

IMPLEMENTATION PLAN

IMPLEMENTATION SUCCESS

The proposed mitigation project has a high probability of success. Factors that contribute to the likelihood of success at the mitigation site include: the site is located in an area suitable for riparian and wetland habitat creation/restoration, the commitment to implementation and long-term monitoring and maintenance by the project proponent, and the mitigation designers' experience in the field of riparian and wetland habitat creation and restoration. Furthermore, the construction, maintenance, and monitoring of the mitigation site will be supervised by a qualified biologist.

MITIGATION SITE CONSTRUCTION SCHEDULE

Riparian and wetland mitigation installation is expected to begin in Fall 2010. Collection and propagation of plant material will commence in Fall 2009.

The order of events for construction of the mitigation site is as follows:

- 1) Prepare revegetation plans and specifications;
- 2) Install ESA fencing to protect existing vegetation to be preserved and the adjacent wetland and riparian corridor;
- 3) Remove target invasive species and mow remainder of Himalayan blackberry within existing wetland and wetland buffer;
- 4) Stake limits of new wetland and grade to target elevation;
- 5) Perform soil investigation in mitigation planting areas to confirm horticultural suitability;
- 3) Install irrigation system;
- 4) Plant native vegetation in mitigation area as described in the planting plan below;
- 5) Seed and mulch all disturbed soil areas.

SITE PREPARATION

Following removal of the targeted invasive species and mowing of the remaining Himalayan blackberry in the wetland and wetland buffer, the limits of grading will be staked for the wetland mitigation site. The wetland mitigation site is located on an existing, moderately sloping floodplain and it is anticipated that minimal grading will be required. The boundary of the riparian mitigation area will also be staked to clearly delineate and document this area from the additional plantings proposed by DDA to be installed throughout the majority of the wetland buffer area (Appendix A).

During mitigation implementation, care will be taken to avoid impacts to any existing willow riparian vegetation on site. Ecologically Sensitive Area (ESA) fencing will be installed around any existing native riparian vegetation on site. The planting areas will either be disked or

herbaceous vegetation will be cut to a height of approximately 3 inches prior to plant installation. Herbaceous vegetation is defined as non-woody vegetation (i.e., grasses and forbs).

Any native riparian species on site will be identified prior to site preparation by a qualified biologist. All native riparian habitat will be protected during installation of the mitigation plan. ESA fencing will be installed at the drip line of any pre-existing native riparian trees to prevent disturbance. Plants will not be installed within the drip line of pre-existing riparian trees within the mitigation site.

The soils on site are anticipated to be suitable for successful establishment of the mitigation plantings. However, soils within the riparian and wetland mitigation sites will be sampled and analyzed at a qualified laboratory to confirm horticultural suitability. If any soil amendments are recommended they are likely to be minimal (e.g. organic matter) and will be incorporated directly into the planting holes at the time of installation.

EXOTIC PLANT SPECIES ERADICATION PLAN

All pampas grass will be removed prior to planting of the mitigation sites. In addition, non-native Himalayan blackberry will be manually removed from within 3 ft of all plantings (mitigation and DDA proposed plantings) and mowed throughout the remainder of the existing wetland and wetland buffer area. It is anticipated that the proposed riparian mitigation and DDA proposed plantings will eventually shade out the non-native Himalayan blackberry and convert the site to a native dominated wetland and riparian corridor.

PLANTING PLAN

Riparian and wetland plant associations will be installed at the mitigation sites. The 684 sq ft wetland planting area will provide sufficient mitigation to compensate for permanent impacts to wetland habitat. The installation of 5571 sq ft of riparian tree and shrub species will fully compensate for impacts to riparian habitat. The project proponent has also proposed planting 9673 sq ft of additional native woodland plantings within the wetland buffer area to fulfill a requirement of the County's Riparian Exception. The cover provided by these additional plantings will help shade out non-native Himalayan blackberry and facilitate the conversion of the site to a native dominated wetland and riparian corridor (Appendix A). A qualified restoration ecologist will inspect/monitor plant installation in order to insure that the mitigation site is installed properly.

Planting guidelines should be adhered to in order to assure the viability of the plantings. In general, any understory shrub plantings should be interspersed between upper- and mid-canopy tree species to form a matrix that will mature into high-quality habitat. Tree species in particular should be planted with sufficient space to allow them to develop into mature trees. Species spacing details can be found in Table 3.

The planting plan is designed to provide mitigation for impacts to riparian and wetland habitats through creation of a continuous, multi-layered, native riparian woodland community and additional new native dominated wetland habitat. The proposed planting plan will expand and

enhance the existing riparian/wetland corridor and will increase the wildlife habitat value at the site by increasing the contiguous area of riparian/wetland habitat.

Riparian Woodland Target Vegetation. The target plant species for the riparian woodland include arroyo willow, box elder (*Acer negundo*), and coast live oak (*Quercus agrifolia*), to create an overstory canopy layer (Table 3). Mid-canopy and shrub species will include blue elderberry (*Sambucus mexicana*), coyote brush, and California rose (*Rosa californica*) (Table 3).

Table 3. Minto Place Apartments Mitigation Site Riparian Woodland Plant Palette.

COMMON NAME	SCIENTIFIC NAME	ON-CENTER SPACING	QUANTITY	CONTAINER SIZE*
RIPARIAN TREES				
arroyo willow	<i>Salix lasiolepis</i>	8	25	treepot-4
box elder	<i>Acer negundo</i>	12	4	treepot-4
coast live oak	<i>Quercus agrifolia</i>	16	4	treepot-4/acorn
Total Number of Riparian Trees			33	
RIPARIAN SHRUBS				
blue elderberry	<i>Sambucus mexicana</i>	12	12	treepot-4
coyote brush	<i>Baccharis pilularis</i>	8	8	deepot
California rose	<i>Rosa californica</i>	8	12	deepot
Total Number of Riparian Shrubs			32	
Total Number of Riparian Trees and Shrubs			65	

* treepot-4 = 4" wide x 14" long; deepot = 2.5" wide x 6" long

The tree species selected for planting at the mitigation site are based on the existing riparian species found onsite and riparian species typically found along riparian corridors within Santa Cruz County. The quantities of each species are roughly based on the percentage of each species naturally found along the creek, while meeting the required total number of individual plants to satisfy the mitigation area.

The existing vegetation on site is dominated by non-native Himalayan blackberry. Conversion of this area to riparian woodland represents an improvement in the overall habitat values of the site. Additional enhancement plantings within the wetland buffer will also serve to substantially improve habitat quality on site.

Wetland Target Vegetation. The wetland mitigation area will be planted with wetland species similar to those currently found at the site (Table 4). These include umbrella sedge, wire grass (*Juncus patens*), and narrow-leaved cattail.

Table 4. Minto Place Apartments Mitigation Site Wetland Plant Palette.

COMMON NAME	SCIENTIFIC NAME	ON-CENTER SPACING (FEET)	QUANTITY	CONTAINER SIZE*
umbrella sedge	<i>Cyperus eragrostis</i>	3	30	treeband
wire grass	<i>Juncus patens</i>	3	30	treeband
narrow-leaved cattail	<i>Typha angustifolia</i>	3	30	treeband
Total Number of Wetland Plants			90	

*treeband = 2.25" square x 5" long

Plant Procurement. The mitigation plants will be contract grown by a qualified native plant nursery. Plants will originate from propagules (seeds, acorns, cuttings) collected from the impact site. To the extent feasible cuttings from the arroyo willows to be impacted will be salvaged from the prunings and propagated in the nursery for use in the mitigation site. In addition, common rush plants existing on site will also be preserved to the extent possible. If sufficient numbers of propagules are not available from the immediate vicinity, other creeks in Santa Cruz County will be considered suitable collection sites. A restoration ecologist will approve all propagule harvest locations.

Timing of Propagation. After plant propagules are collected, 8-12 months of growing time is generally required before the plants are ready for installation. Therefore, the nursery contract will be established 12 months prior to the time of plant installation.

Native Seed Mix

All areas within the mitigation sites, wetland buffer and any other areas temporarily impacted by construction (with the exception of temporarily impacted USACE jurisdictional areas), site preparation, and irrigation installation and planting will be broadcast or hydroseeded with a native seed mix. Table 5 provides the seed mix and application rates.

Table 5. Native Erosion Control Seed Mix.

COMMON NAME	SCIENTIFIC NAME	APPLICATION RATE (LBS. PURE LIVE SEED/ACRE)
Coast range melic	<i>Melica imperfecta</i>	4 (0.1 lbs/1000 sq ft)
California brome	<i>Bromus carinatus</i>	8 (0.2 lbs/1000 sq ft)
Purple needlegrass	<i>Nassella pulchra</i>	8 (0.2 lbs/1000 sq ft)
Three-week fescue	<i>Vulpia microstachys</i>	4 (0.1 lbs/1000 sq ft)
California poppy	<i>Eschscholzia californica</i>	2.5 (.06 lbs/1000 sq ft)
Arroyo lupine	<i>Lupinus succulentus</i>	8 (0.2 lbs/1000 sq ft)
Mugwort	<i>Artemisia douglasiana</i>	0.5 (0.012 lbs/1000 sq ft)

The temporarily impacted USACE jurisdictional areas will be broadcast or hydroseeded with the native wetland grass, meadow barley. Table 6 provides the appropriate application rate.

Table 6. Native Seed for USACE Temporarily Impacted Areas.

COMMON NAME	SCIENTIFIC NAME	APPLICATION RATE (LBS. PURE LIVE SEED/ACRE)
Meadow barley	<i>Hordeum brachyantherum</i>	10 (0.25 lbs/1000 sq ft)

Plant Installation

Container-grown plants will be installed between October and February when rainfall has saturated the soils at the mitigation site. The planting holes for container-grown woody vegetation should be at least 2 ft in diameter and 2 ft deep. All stones greater than 3 inches in diameter will be removed from the excavated soils. The sides and bottom of each hole should be scarified and each planting hole should be irrigated before planting and again immediately

following planting. The plants will be installed so that their root crowns are at or slightly above (up to ½ in) grade following soil settlement after irrigation.

If coast live oaks are installed by direct seeding of acorns, the acorns will be installed between late October and December. Acorns will be installed 1-½ inches below the ground and placed parallel to the soil surface. Two acorns will be installed in each planting hole.

A 3-ft diameter irrigation basin with a 4-inch high, 4-inch wide berm will be constructed around each plant (container grown stock and acorns). The basin will be kept weed free to reduce competition.

Mulch. Coarse woodchip mulch will be spread in each planting basin to a minimum depth of 3 inches. The mulch will serve to control weeds, reduce loss of soil moisture, and help to condition the soils. Mulch shall be installed so that there is a 2-3 inch gap around the plant stem.

Plant Protection

Wildlife browse to the mitigation plantings may occur, however, no signs of browse were observed during numerous site visits. Therefore, foliage protection will only be installed around species that are particularly susceptible to browse including, arroyo willow, box elder, and blue elderberry.

Foliage Protection Cages. Foliage protection cages shall be installed on arroyo willow, box elder, and blue elderberry plantings within the mitigation site. Cylindrical cages shall be 4-ft diameter by 5-ft tall. The foliage protection cages will be constructed with welded wire or chicken wire fencing, which will be supported by 2 wooden posts, and will be installed flush to the ground. Protective cages will be installed immediately following planting.

Weed Control. Weeds around individual plants will be controlled primarily by placing woodchip mulch within each irrigation basin. However, all weeds that do germinate within the planting basins shall be removed by hand. Weeds throughout the site will be controlled as described in the site maintenance plan.

Irrigation

An irrigation system will need to be installed to provide water at each planting basin. A number of irrigation methods could be used to irrigate the plantings. The preferred method would be a drip or bubbler system connected to a water mainline. This method allows for a controller to be installed insuring the proper volume and frequency of watering. However, hand watering from a water truck or on-site, is an option as well. The irrigation method/system will be determined during development of the project's plans and specifications. Irrigation is not anticipated to be required for the wetland mitigation site. However, if the plants show signs of severe drought stress a contingency plan for providing irrigation shall be in place. This plan would likely entail hand watering of the wetland plants.

Schedule

The project is scheduled to begin in the Fall of 2009 with propagule collection. Ideally, the riparian plants will be installed between October 2010 and February 2011. Plant installation outside of the October-March window would likely increase the necessary level of maintenance and decrease the survival rates of the plant species.

MAINTENANCE PLAN

OVERVIEW

The mitigation plantings will require initial maintenance during the first three years (plant establishment period) to establish and become self-sustaining. Maintenance will include dead plant replacement, irrigation, and weed control. Additional maintenance including weed control of non-native and exotic plants will be required to ensure that the mitigation areas remain free of invasive, non-native species, such as Himalayan blackberry and pampas grass.

Monitoring data (see following chapter regarding monitoring requirements) collected by a qualified biologist will be used to evaluate the success of the restoration site. Information from this monitoring program will provide feedback to direct necessary maintenance, and help ensure the success of the mitigation site.

Dead Plant Replacement

During the first two years all dead plants shall be replaced. In Year-3, if overall plant survival falls below 80%, then replanting will occur. The vigor, growth, and survival rates of the species installed will be assessed to inform the selection of replacement plants. Those species that are well adapted to the site and have high health and vigor will be used to replace dead plants.

Irrigation

The riparian plantings will require irrigation during the 3-year plant establishment period. The irrigation frequency will be gradually reduced during this period to facilitate plant acclimation to the site's natural moisture regime. In Year 1, the plantings will be irrigated approximately 2-4 times per month from March through October. Each irrigation period will provide a sufficient amount of water to encourage the development of taproots. The irrigation schedule in Year 2 will be based on the water requirements of the plants and is anticipated to be substantially less (approximately 1-2 times per month), while in Year 3, little irrigation (0-1 time per month) will be required. The irrigation schedule may be modified based on climatic conditions to ensure vigorous plant growth during the summer months and/or times of drought.

The irrigation system for riparian plantings should be regularly maintained during the 3-year plant establishment period. Any component of the system not functioning properly will be subsequently repaired as part of regular site maintenance. The maintenance will include a provision that the irrigation system will be continuously checked and kept in good working order.

If wetland plantings show signs of severe drought stress, supplemental irrigation will be required. It is unlikely that this irrigation will be needed, although if necessary, it is likely that hand watering one or two times will be sufficient.

Weed Control

Weeds within the riparian mitigation site will be controlled within the irrigation basins for each plant and throughout the site as a whole. The irrigation basin around each installed tree and shrub will be kept weed free by maintaining the mulch layer and manually removing the weeds that become established in the mulch. Care will be taken to avoid the removal of naturally recruiting native vegetation.

Invasion of the riparian mitigation sites by invasive, non-native species can significantly impede the development of mitigation plantings, and therefore, will need to be monitored and controlled. During each site monitoring period, the presence of undesirable non-native plant species will be assessed and the project proponent will be responsible for removing species that could affect site performance. All non native Himalayan blackberry and pampas grass will be controlled as they are discovered within the mitigation site. Control of pampas grass will be accomplished through manual removal, while Himalayan blackberry will generally be mowed, although will require manual removal from any areas where it is impeding growth of the mitigation plantings. Other invasive species such yellow star thistle (*Centaurea solstitialis*) and milk thistle (*Silybum marianum*) will be controlled if they are discovered colonizing the site.

Plant Protection

Foliage protection cages will be regularly maintained during the 3-year plant establishment period. If a plant outgrows its cage prior to the end of the 3-year period, the plant protection will be removed as soon as possible to ensure that the tree or shrub grows unhindered.

Natural Recruitment

Measures will be taken to protect native woody plant species that have established through natural recruitment. At a minimum, these species will be identified and protected prior to and during weed control activities.

Pruning

Restoration plants will not be pruned unless specifically required to maintain the health and vigor of the plants. Plants with a substantial insect or disease infestation may require pruning.

Debris Removal

Inorganic, unnatural debris and trash deposited on the restoration site will be removed on a regular basis until the sites' long-term success criteria have been met.

Schedule

The riparian mitigation site will be maintained regularly during the 3-year plant establishment period. Maintenance activities will occur approximately 3 times per month during the growing season (March-October) and approximately once per month from November-February. The plant establishment period and associated site maintenance will be extended beyond 3-years if significant plant replacement is required due to low plant survivorship.

MONITORING PLAN

Monitoring data will be collected and used to evaluate the success of the mitigation sites. Information from this monitoring program will provide feedback to direct necessary maintenance and potential remedial measures to ensure the success of the mitigation.

The mitigation site will be monitored over a 10-year period, occurring in Years 1-3, 5, 7 and 10. Performance and final success criteria will be based on percent native vegetation survival, tree canopy cover, and tree height. Additionally, percent cover of non-native, invasive plants within the planted mitigation areas will not exceed 5%. By Year 10, the mitigation site should be sufficiently established to determine if it will eventually reach the long-term goals with little chance of failure. If the final success criteria of the mitigation project have not been met at Year 10, monitoring will continue until they have been met.

IMPLEMENTATION MONITORING

A qualified restoration ecologist will monitor the project during construction to ensure that project impacts are consistent with those outlined in this document and that the mitigation site is installed as described in this plan.

AS-BUILT PLANS

Within 8 weeks of the completion of mitigation site construction, marked-up as-built plans will be prepared and submitted to Mid Peninsula Housing Coalition. These plans will show all significant deviations from the construction as described in this document, such as, changes to the mitigation area configuration and/or any features added to the site that were not included in this plan. Future analysis of the site will be based on these plans.

PERFORMANCE AND SUCCESS CRITERIA

Performance Criteria

This section contains the performance criteria for the mitigation sites. Site monitoring measurements will be compared to the performance criteria below to evaluate the extent to which the mitigation areas are incrementally developing high quality riparian wetland habitat values.

USACE Jurisdictional Areas to Be Created. The project will restore and create a minimum of 684 sq ft of USACE jurisdictional area to compensate for the 342 sq ft of USACE jurisdictional area that will be impacted. A formal delineation of the created jurisdictional areas will be undertaken at the site 3 years following site construction. The USACE jurisdictional area mitigation will be considered a success if the delineation reveals that the requisite USACE jurisdictional wetland acreage was created. If the required USACE jurisdictional wetland acreage (684 sq ft) is not obtained in Year-3, a formal wetland delineation will be conducted in subsequent years until the required acreage is obtained.

CDFG Jurisdictional Areas to Be Created. The project will create a minimum of 5571 sq ft of CDFG jurisdictional riparian habitat dominated by a mixture of native riparian tree and shrub species. This acreage will be delineated and documented in the as-built plans.

Percent Survival for Riparian Trees and Shrubs. Percent survival criteria will not be applied to the seasonal wetland plantings since vegetative reproduction and natural recruitment are likely to rapidly obscure the planting locations. However, percent survival of the planted riparian trees and shrubs will be monitored during the first 3 years (plant establishment period). During the first 2 years all dead plants will be replaced (100% survival criterion). In Year-3 plant survivorship shall not be below 80%. If survival falls below 80% in Year-3 all dead plants will be replaced.

Average Percent Cover. Percent cover of the wetland mitigation area will be monitored in Years 1-3, 5, 7, and 10 to determine how the site is developing over time. The percent cover values will have shown steady trends towards, or will have met the percent cover performance criterion during years 1-10. The final goal for average percent cover at the wetland mitigation site is at least 60% cover of obligate, facultative wetland, and facultative species (Table 7).

Table 7. Percent Cover Criteria of Wetland Plant Species.

YEAR-3	YEAR-5	YEAR-7	YEAR-10 (FINAL SUCCESS CRITERION)
25%	40%	50%	60%

Percent cover of native woody species (trees and shrubs) within the riparian mitigation area will be monitored in Years 1-3, 5, 7, and 10 to determine how the site is developing over time. The percent cover values will have shown steady trends towards, or will have met the percent cover performance criterion during years 1-10. Percent cover of both the installed and the naturally recruited woody species will be measured. Percent cover of any pre-existing woody species at the mitigation site will not be measured. No performance criteria for percent cover are set for Years 1 and 2 as it is anticipated that cover provided by the young plants will be negligible. The percent cover of riparian tree and shrub canopy shall have a final percent cover of at least 40% (Table 8).

Table 8. Percent Cover Criteria of Riparian Tree and Shrub Species.

YEAR-3	YEAR-5	YEAR-7	YEAR-10 (FINAL SUCCESS CRITERION)
15%	20%	30%	40%

Average Tree Height. Average tree height will be monitored in Years 1-3, 5, 7, and 10. For average tree height, the trees will show a steady trend towards the heights set for Years 3, 5, 7 and 10, shown in Table 9. No specific tree heights are set for Years 1 and 2 as it is anticipated the site will still be developing.

Table 9. Average Tree Height and Final Success Criteria.

COMMON NAME	SCIENTIFIC NAME	YEAR-3	YEAR-5	YEAR-7	YEAR-10 (FINAL SUCCESS CRITERION)
arroyo willow	<i>Salix lasiolepis</i>	5	7	10	12
coast live oak	<i>Quercus agrifolia</i>	4	6	8	10
box elder	<i>Acer negundo</i>	5	6	7	10
blue elderberry	<i>Sambucus mexicanus</i>	5	6	7	8

Trend Characteristics

Trend characteristics to be monitored include plant health and vigor and natural recruitment. The results of the trend characteristics monitoring will aid in the assessment of the site's progress. The methods for tracking trend characteristics are described below.

Site Maintenance

Site maintenance is included in the performance criteria because of the critical importance of proper maintenance during the plant establishment period. Site maintenance monitoring will assess the need for plant replacement, weed control, irrigation, and foliage protector maintenance. Site maintenance will be monitored during the three-year plant establishment period. The following are the performance criteria for site maintenance:

Plant Replacement. All dead plants will be replaced between October 15 and March 15. The plants must originate from Santa Cruz County. If sufficient plant materials are not available from the local watershed, propagules from other creeks and wetlands in Santa Cruz County may be acceptable for use, with approval of a qualified restoration ecologist. A written summary of replanting dates, locations, species, and numbers will be included in each monitoring report.

Weed Control. Weeds that establish within the 3-ft diameter planting basins will manually removed. Cover of invasive weeds within the mitigation sites will be less than 5% at all times. The maximum height for all weeds within the mitigation sites, at any time, will be 24 inches and will be below 12 inches during the growing season (March-October).

Irrigation. Irrigation of the mitigation plantings will be assessed to determine if they are being irrigated with sufficient regularity to achieve the plant survival success criteria.

Final Success Criteria

Monitoring of the mitigation site by a qualified biologist will determine if the project has met its mitigation obligation. The final success criteria will be used to determine if the project applicant has met the mitigation obligation. Attainment of the final success criteria will indicate that the mitigation site is well on its way towards meeting the long-term habitat goals with little chance of failure. The final success criteria, with the exception of the jurisdictional delineation that will occur in Year 3, will be evaluated in the last year of the 10-year monitoring period. The Year 10 final success criteria define mitigation success and will be used to obtain sign-off from the permitting agencies.

MONITORING METHODS

The following provides details about the methodology that will be used during annual site monitoring.

Plant Survival

The survivorship of plantings will be determined by field counts of all trees and shrubs installed. Percent survival will be calculated as follows:

Percent Survival of Species A = (Number of Individuals of Species A Alive During Monitoring Period / Total Number of Species A Installed) * 100.

Percent Cover

Percent cover will be used as the primary indicator of successful establishment of seasonal wetland and riparian habitat. Average percent cover of seasonal wetland vegetation will be measured by quadrat sampling using a 1 m² quadrat. The location of sample quadrats will be randomly selected and percent cover by species will be recorded.

Average percent cover of tree and shrub species will be determined using the line intercept method (Bonham 1989). Fixed length permanent transects (100 ft long/transect) will be established within the riparian mitigation area and will be marked with metal t-posts. Sampling transects will be randomly located throughout the mitigation site. The total number of transects used will be evaluated on the variability of the site's vegetative cover, determined by evaluating the average cover value obtained over increasing numbers of transect. The number of transects used will be the point where additional samples do not substantially change the average cover value obtained (Kershaw 1973).

The average percent cover by individual species will be calculated among the fixed length transects for the site as a whole. The total average percent cover of trees and shrubs will also be calculated. The results will be compared to the respective percent cover performance criteria for the monitoring year. Comparisons between monitoring years will be presented in successive monitoring reports.

Average Tree Height

Fifty percent of the total number of each tree species installed will be randomly selected each year and measured for tree height using a stadia rod or clinometer. These trees will be tagged and measured in subsequent monitoring years. Average tree height will be calculated by species and will be compared to the tree height performance criteria and between years.

Health and Vigor

A qualitative assessment of the overall plant health and vigor will be made by considering such factors as plant color, bud development, new growth, herbivory, drought stress, fungal/insect infestation, and physical damage. The overall health and vigor of all planted trees and shrubs will be monitored in Years 1-3, 5, 7, and 10. Plant health and vigor will be measured using the

numerical and qualitative scale shown in Table 10. Health and vigor for each tree and shrub species will be ascertained by averaging the numerical values for each species. Plant health and vigor will be assessed for all woody plants installed and compared between species and years.

Table 10. Plant Health and Vigor Ratings.

QUALITATIVE VALUES	NUMERICAL VALUES	OBSERVATIONS
High health and vigor	3	67-100% healthy foliage
Medium health and vigor	2	34-66% healthy foliage
Low health and vigor	1	1-33% healthy foliage
Dead	0	dead

Natural Recruitment

Natural reproduction and recruitment will be monitored throughout the mitigation site in Years 1-3, 5, 7, and 10. The number of stems of native and non-native woody plant species observed within a 5-ft band centered on the percent cover sampling transects will be counted and reported by species.

Photo-documentation

Photo-documentation of the mitigation site will be conducted from a number of fixed locations in Years 1-3, 5, 7, and 10. Photographs will also be taken to record any event that may significantly affect the success of the mitigation, such as flood, fire, or vandalism. The locations of photo-documentation points will be selected when the as-built plans are developed for the site.

MONITORING SCHEDULE

The monitoring schedule is presented in Table 11. Monitoring will be conducted at the mitigation site between July and October of each monitoring year.

Table 11. Monitoring Schedule.

MONITORING TASK	8 WEEKS AFTER INSTALLATION	YEAR-1	YEAR-2	YEAR-3	YEAR-5	YEAR-7	YEAR-10
As-built Plans	X						
Percent Survival		X	X	X			
Percent Cover		X	X	X	X	X	X
Tree Height				X	X	X	X
Plant Health and Vigor		X	X	X	X	X	X
Natural Recruitment		X	X	X	X	X	X
Photo-documentation		X	X	X	X	X	X

REPORTING

Annual data collection will take place in July-October of each monitoring year. Annual monitoring reports will be submitted to the permitting agencies by December 31st of each monitoring year. Maps showing monitoring locations and copies of photo-documentation will be provided along with reports. Field data sheets will be available for review upon request.

Reports will be prepared in the following format:

1. Report Summary
2. Introduction
3. Methods
4. Results
5. Discussion
6. Management Recommendations
7. Literature Cited
8. Appendices

COMPLETION OF MITIGATION

At a minimum, monitoring will be conducted over a 10 year period at the mitigation site. At the end of the monitoring period, a final monitoring report will be prepared to establish whether the mitigation site has achieved the final success criteria. If the mitigation site has successfully met the success criteria, a letter will be sent to the Mid Peninsula Housing Coalition acknowledging the condition of the site. Mid Peninsula Housing Coalition will then submit a letter to each of the permitting agencies requesting final "sign-off" of the project. The project will be considered a success by Mid Peninsula Housing Coalition and "signed off" when they receive an acceptance letter from each of the permitting agencies.

CONTINGENCIES AND REMEDIAL ACTIONS

If annual performance criteria or final success criteria are not met, the project proponent shall prepare an analysis of the cause(s) of failure, and propose remedial actions to the permitting agencies. The project proponent shall provide funding for the planning, implementation, and monitoring of any remedial actions that may be required by the permitting agencies to meet the goals of the mitigation.

STATEMENT OF FINANCIAL COMMITMENT

Mid Peninsula Housing Coalition is financially responsible for the successful mitigation, as outlined in this Mitigation and Monitoring plan, for impacts to riparian and wetland habitats resulting from construction of the Minto Place Apartments Project, including long-term monitoring and any required remedial actions.

REFERENCES

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- Kershaw, K. A. 1973. Quantitative and Dynamic Plant Ecology. 2nd Edition. New York: America Elsevier Publishing.
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- [SCS] U.S. Department of Agriculture, Soil Conservation Service. 1992. Field Office Official List of Hydric Soil Map Units for Santa Cruz County, California. Salinas, CA.
- [SCS] United States Department of Agriculture, Soil Conservation Service. 1980. Soil Survey of Santa Cruz County.

**APPENDIX A.
Dillon Design Associates
Enhancement Planting Plan**

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Defense Energy Support Center	North America Power Partners
Alcantar & Kahl LLP	Department of Water Resources	North Coast SolarResources
Ameresco	Dept of General Services	Northern California Power Association
Anderson & Poole	Douglass & Liddell	Occidental Energy Marketing, Inc.
BART	Downey & Brand	OnGrid Solar
Barkovich & Yap, Inc.	Duke Energy	Praxair
Bartle Wells Associates	Economic Sciences Corporation	R. W. Beck & Associates
Bloomberg	Ellison Schneider & Harris LLP	RCS, Inc.
Bloomberg New Energy Finance	Foster Farms	Recurrent Energy
Boston Properties	G. A. Krause & Assoc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	GLJ Publications	SCE
Brookfield Renewable Power	GenOn Energy, Inc.	SMUD
CA Bldg Industry Association	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CENERGY POWER	Green Power Institute	San Francisco Public Utilities Commission
CLECA Law Office	Hanna & Morton	Seattle City Light
CSC Energy Services	Hitachi	Sempra Utilities
California Cotton Ginners & Growers Assn	In House Energy	Sierra Pacific Power Company
California Energy Commission	International Power Technology	Silicon Valley Power
California League of Food Processors	Intestate Gas Services, Inc.	Silo Energy LLC
California Public Utilities Commission	Lawrence Berkeley National Lab	Southern California Edison Company
Calpine	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Casner, Steve	MAC Lighting Consulting	Sunrun Inc.
Center for Biological Diversity	MBMC, Inc.	Sunshine Design
Chris, King	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto Utilities	Marin Energy Authority	Tiger Natural Gas, Inc.
City of San Jose	McKenzie & Associates	TransCanada
City of Santa Rosa	Merced Irrigation District	Turlock Irrigation District
Clean Energy Fuels	Modesto Irrigation District	United Cogen
Clean Power	Morgan Stanley	Utility Cost Management
Coast Economic Consulting	Morrison & Foerster	Utility Specialists
Commercial Energy	Morrison & Foerster LLP	Verizon
Consumer Federation of California	NLine Energy, Inc.	Wellhead Electric Company
Crossborder Energy	NRG West	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	NaturEner	eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	