

# THREE PATHS TO VALUE

## > 1615 EL DORADO AVENUE

SANTA CRUZ, CA 95062

APN 026-181-23 · 24,699 SF / 0.567 ACRES · ZONED R-1-4-L

### PATH ONE

#### Developer

Retain the landmark, build in the rear

### PATH TWO

#### Owner-User

Live in one, add an ADU, rent the rest

### PATH THREE

#### Hybrid

Occupy, remodel, add density over time

### THE CENTRAL QUESTION

Three record sources describe this parcel three different ways — two houses, three units, or commercial multifamily. The historic overlay on the front house and an apparent riparian corridor at the rear then narrow what can actually be built. This analysis reconciles the record, establishes what the site will realistically support, and prices it against five recent land trades.



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PREPARED SEPTEMBER 22, 2026

## SITE

|                  |                      |
|------------------|----------------------|
| APN              | 026-181-23           |
| Lot size         | 24,699 SF · 0.567 ac |
| Zoning           | R-1-4-L              |
| Topography       | Level                |
| Water / sewer    | Public / public      |
| Flood zone       | X (unshaded)         |
| Building quality | Below average (C)    |

## OWNERSHIP &amp; TAX

|                        |                                 |
|------------------------|---------------------------------|
| Vesting                | Life estate — terminated        |
| Seller                 | Beneficiaries · as-is, cash-out |
| Last transfer          | March 1966 · \$6,000            |
| Land value (2025 roll) | \$479,436                       |
| Improvement value      | \$256,137                       |
| Total assessed         | \$735,573                       |
| Annual tax             | \$10,052.40                     |

## > IMPROVEMENTS OF RECORD

| STRUCTURE          | BUILT | AREA     | BD / BA | STATUS                      |
|--------------------|-------|----------|---------|-----------------------------|
| Main house (front) | 1890  | 1,708 SF | 3 / 2   | Designated historic         |
| Cottage            | 1890  | 452 SF   | 1 / 1   | Second legal dwelling       |
| Rear structure     | 1960  | 576 SF   | 0 / 0   | Zero units on roll — verify |
| Carport            | —     | 648 SF   | —       | Conversion candidate        |

## UNIT COUNT — THE RECORD DISAGREES

## COUNTY ASSESSOR

2 SFRs / 1 APN

Use class 031

## RPR

3 units

Multifamily / multiplex

## FIRST AMERICAN

Multifamily, ≤10

Use code only

The three reconcile once the 1960 rear structure is isolated. The Assessor carries it at zero units, zero bedrooms and zero baths — but with a fireplace and wall heat, which is how an unpermitted conversion typically appears on the roll. Two legal dwellings is the defensible position; the third is a permit-history question, not a record question. **Pull the permit file before pricing.** The answer moves financing, rentable income and the buyer pool.

## BASE ZONING

R-1-4

Single-family residential, 4,000 SF minimum site area

## COMBINING DISTRICT

—L Landmark

Historic designation on the 1890 front house

## &gt; CONSTRAINTS THAT BIND

| CONSTRAINT               | EFFECT ON YIELD                                                                                                                                                                                                                                                                                                            |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Historic landmark</b> | Demolition of the front house is effectively off the table. Exterior alterations go to design review. The practical consequence: any added density has to happen behind the landmark, not in place of it.                                                                                                                  |
| <b>SB 9 lot split</b>    | State law excludes parcels designated as a historic landmark or within a historic district. <b>Assume SB 9 is unavailable here</b> and confirm with Planning — this removes the simplest path to four units.                                                                                                               |
| <b>SB 684 / SB 1123</b>  | SB 1123's single-family pathway requires a vacant parcel. This one is improved and occupied, so that route likely fails on its face. SB 684 turns on the site's multifamily status — which is exactly the unit-count question from page 2.                                                                                 |
| <b>Riparian corridor</b> | A setback appears along the rear property line. County riparian setbacks run roughly 30 to 50 feet from top of bank depending on classification. On a parcel this shape that plausibly sterilizes <b>[X] SF</b> of the rear yard — the exact area a rear-build scheme depends on. Survey and County confirmation required. |
| <b>ADU / JADU</b>        | State ADU law still applies over a landmark designation, though design review attaches. The 648 SF carport and the 576 SF rear structure are both conversion candidates. This is the lowest-friction way to add doors here.                                                                                                |

## &gt; YIELD, THEORY VERSUS PRACTICE

| PATHWAY                            | UNITS      | ASSESSMENT                                      |
|------------------------------------|------------|-------------------------------------------------|
| Raw R-1-4 density (24,699 ÷ 4,000) | <b>6</b>   | Theoretical only — requires clearing the site   |
| SB 9 urban lot split               | —          | Likely barred by landmark status                |
| Existing + ADU + JADU              | <b>4–5</b> | Most reliable; no discretionary approval needed |
| Density bonus / Builder's Remedy   | <b>6–8</b> | Precedent exists locally — see 841 Capitola Rd  |

**One upside worth raising with a buyer:** a landmark designation opens a Mills Act contract, which can cut the property tax burden substantially in exchange for a maintenance and preservation commitment. On a parcel currently carrying \$10,052 a year against a 1966 basis — a figure that resets on sale — that is a real offset to the restrictions, and it favors the owner-user

# WHO BUYS THIS, AND WHY

Each path below has already traded in this market within the last cycle. The comparable named in each column is not an abstraction — it is a buyer who paid for this exact problem and executed a specific plan on it.

## PATH ONE

### Developer

Retain and repair the landmark, then build apartments in the rear yard.

#### PRECEDENT

**21231 E Cliff Dr**

**\$1,208,000**

Sold with the historic building and potential for 6 rear apartments, now under construction.

#### WHAT IT TAKES

Density bonus or Builder's Remedy entitlement · design review on the landmark · riparian setback survey · 12–18 month approval horizon · construction financing

#### PRESSURE POINT

Rear-yard buildable area after the riparian setback. This path lives or dies on that survey.

#### PAYS MOST FOR

Confirmed buildable rear area and a clear entitlement path

## PATH TWO

### Owner-User

Occupy the main house, add an ADU, hold the cottage as income.

#### PRECEDENT

**1430 Merrill St**

**\$1,545,000**

Added an ADU tiny home, rented one unit, rebuilt one as a new SFR.

#### WHAT IT TAKES

Ministerial ADU permit · residential financing on an owner-occupied basis · no discretionary approval · 6–9 months to added income

#### PRESSURE POINT

Condition. An 1890 structure at below-average quality carries real deferred maintenance.

#### PAYS MOST FOR

Character, lot size, and a Mills Act tax contract

## PATH THREE

### Hybrid

Occupy one, remodel the others, add density in phases as capital allows.

#### PRECEDENT

**1211 Webster St**

**\$1,345,393**

Rebuilt the SFR, remodeled the duplex, added an ADU.

#### WHAT IT TAKES

Staged capital · owner-occupancy during works · permits taken one at a time · tolerance for a multi-year hold

#### PRESSURE POINT

The legal status of the 1960 rear structure — it either becomes an asset or a correction order.

#### PAYS MOST FOR

Optionality — no single approval has to land

## WHERE THE BID IS LIKELY TO COME FROM

The landmark overlay cuts against the pure developer and toward the other two. A developer prices the restriction as risk and discounts for it; an owner-user and a hybrid buyer price the same restriction as character, and the Mills Act turns part of it into a benefit they can actually bank. Expect the strongest number from Path Two or Three unless the riparian survey comes back generous enough to make a rear-yard scheme pencil.

# SALES COMPARABLES

RANKED BY RELEVANCE

Listed in order of weight rather than price. No single comparable matches the subject on every axis, so each is ranked by the axis it actually controls for – designation, physical profile, location, condition, or terms.

| # | ADDRESS            | SALE PRICE  | LOT SF | \$/LAND SF | CONTROLS FOR                     |
|---|--------------------|-------------|--------|------------|----------------------------------|
| 1 | 21231 E Cliff Dr   | \$1,208,000 | 12,676 | \$95.30    | Historic designation             |
| 2 | 1430 Merrill St    | \$1,545,000 | 19,500 | \$79.23    | Lot, structures, age             |
| 3 | 841 Capitola Rd    | \$1,650,000 | 38,943 | \$42.37    | Proximity                        |
| 4 | 1211 Webster St    | \$1,345,393 | 20,081 | \$67.00    | As-is condition                  |
| 5 | 1526 7th Ave       | \$1,687,000 | 23,217 | \$72.66    | Overall balance – terms-inflated |
| – | 1615 EL DORADO AVE | Subject     | 24,699 | –          | Landmark-constrained             |

## > WEIGHTING & TRANSACTION NOTES

|                                        |                                                                                                                                                                                                                                                                                                             |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 21231 E Cliff Dr<br>Primary comparable | Identical historic designation and a similar site layout, which is why it carries the most weight despite different zoning. Sold with the existing historic building and development potential for 6 apartments in the rear, which the developer buyer is now building – the exact playbook available here. |
| 1430 Merrill St                        | Closest match on lot size, structure count, and age and condition. Owner-user added an ADU tiny home, rented one unit to a friend, rebuilt one as a new SFR. Traded at \$1,545,000 against a \$1,975,000 ask.                                                                                               |
| 841 Capitola Rd                        | Closest in proximity. Developer pursuing affordable housing via density bonus and Builder’s Remedy – confirming that pathway is live in this submarket. Substantially larger site, and the lowest land PSF in the set.                                                                                      |
| 1211 Webster St                        | A similar property but premium in as-is structure quality, so it marks a ceiling the subject will not reach without work. Hybrid buyer rebuilt the SFR, remodeled the duplex, added an ADU.                                                                                                                 |
| 1526 7th Ave                           | Similar on the overall balance of size, style, condition and proximity – but it commanded a significant premium for long-term seller financing at a low down payment. Five years amortized at 6%. <b>Adjust downward for terms before using it.</b>                                                         |

On land PSF the primary comparable is the most expensive in the set at \$95.30 – nearly double the subject’s implied rate. That is a lot-size and zoning effect, not a designation premium: E Cliff sold with the historic building plus potential for six apartments on half the land, now under construction. Priced per potential door instead – \$1,208,000 across 7 doors, or \$172,571 each – it becomes the lens that translates to the subject. Seller financing at 1526 7th Ave cuts the other way, lifting a comparable property well above where a cash or conventional buyer landed.

|                   |                |                       |             |
|-------------------|----------------|-----------------------|-------------|
| RPR AVM           | COMP RANGE     | 95062 MEDIAN          | LOT SIZE    |
| \$1,234,000       | \$1.21 – 1.69M | \$1,700,000           | 24,699 SF   |
| \$1.02M – \$1.44M | Five trades    | Multifamily, Aug 2026 | 0.567 acres |

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INDICATED RANGE

| METHOD                 | INDICATION     | BASIS                                                  |
|------------------------|----------------|--------------------------------------------------------|
| Size-adjusted land     | \$1,676,000    | Five-comp trend: \$67.87/SF at 24,699 SF, unrestricted |
| Automated valuation    | \$1,234,000    | RPR, 9/12/2026 – blind to the overlay and the lot      |
| Per door, primary comp | \$1.21 – 1.38M | E Cliff \$172,571 per door × 7–8 doors                 |
| Midrange check         | \$1,345,393    | 1211 Webster – within \$4,607 of the midpoint          |
| Upper bracket          | \$1,425,000    | Merrill less 7.8% · equals 8.3 doors at E Cliff’s rate |

PRELIMINARY INDICATED VALUE

\$1,275,000 – \$1,425,000

Midpoint \$1,350,000    Land PSF \$51.62 – \$57.69

RECOMMENDED LIST PRICE

\$1,349,000

\$54.62 per land SF

Land price per foot falls as lots get larger; across all five comps the trend at 24,699 SF is \$67.87, or \$1,676,000 for an unrestricted site. The range sits below that for the landmark, condition and riparian setback, and equals 7.4 to 8.3 doors at E Cliff’s \$172,571 per door – a price that works for a buyer who can reach seven or eight doors.

**Why \$1,349,000.** It sits at the midpoint and just under the \$1,350,000 search break, so it surfaces for every buyer filtering at that ceiling. It lists \$3,607 over Webster’s sale, offset by 4,618 SF more land. At the 95062 multifamily sold-to-list ratio of 95.6% it nets about \$1,290,000 – still above the floor – leaving \$74,000 of room for as-is and riparian concessions. With no seller-funded survey, first offers will come in near the floor; this list price keeps that negotiation inside the range.

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PATH TO CLOSE — AS-IS, ALL CASH-OUT

|   |                              |                                                          |               |
|---|------------------------------|----------------------------------------------------------|---------------|
| 1 | Pull the permit file         | Settles 2 units versus 3 – a records request, no cost    | Listing agent |
| 2 | Confirm the landmark listing | Which register, what it restricts, Mills Act eligibility | Listing agent |
| 3 | Survey the riparian setback  | Rear buildable area the developer bid depends on         | Buyer DD      |
| 4 | Pre-application meeting      | County position on SB 9, ADU count, rear density         | Buyer DD      |