

Lynch House project gets tentative OK

Historic Houses - Beach Area
7-15-04
House to become bed-and-breakfast, 9 townhouses to be built

By **HEATHER BOERNER**
SENTINEL STAFF WRITER

The historic Lynch House, a building that sits unkempt across from the Coast Santa Cruz Hotel on one of Santa Cruz's most glorious streets, may have gotten a new lease on life.

Four years after conception and two years after the City Council rejected a similar proposal, the council this week gave a group of local developers tentative approval to turn the Lynch House into a bed-and-breakfast inn.

Developers C.L. Swenson and Corbett Wright, who also own Clear View Court, also secured tentative approval to build nine market-rate townhouses and a manager's unit above Clear View Court's laundry room.

"We're overjoyed," said Jeff Major of C.L. Swenson. "It's been a long haul, four years in coming."

The only thing standing in their way is two weeks' review time and the final terms of long-term leases for Clear View Court residents. The leases have been in the works for months, but the final version must be approved before the project can be finalized, Mayor Scott Kennedy said.

The leases and new construction projects are linked because the leases will count as the project's form of affordable housing. Every planned development, such as the nine townhouses that are part of the project, must provide some public benefit in the form of affordable housing.

The council considers the new long-term leases, which will be extended to 27

residents of Clear View Court who did not sign up for rent control in addition to those who did, to be the equivalent of providing affordable townhouses. No affordable townhouses will be built, said Kennedy.

"The development requires that it has a public benefit," he said. "We consider the leases to be that public benefit. Now, if we can get the leases nailed down by July 27, it will work out well. I'm optimistic."

The leases will replace permanent rent control, which the city converted to long-term leases when it settled a lawsuit with the owners of De Anza Mobile Estates last year.

Wright and Swenson proposed an almost identical plan in 2002, but the council rejected it because negotiations to sell Clear View Court to the residents

fell apart.

The Lynch House was built by Sedgwick J. Lynch as his retirement house in 1876, but it hasn't served as a home for years. In the 1920s, it served as the Hanly Hospital and in the 1960s and 1970s, it was used as an office for Clear View Court. At the time, the park was an RV park for summer visitors.

The building is part of the city's historic registry, but it has been vacant for several years.

Major said he and the other developers hope to start renovating the building as soon as the deal is complete. They hope to re-open it to visitors by spring. He doesn't know when the townhouses will be completed, he said.

Contact Heather Boerner at
hboerner@santacruzsentinel.com.