



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

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

KATHY MOLLOY, PLANNING DIRECTOR

February 26, 2021

AGENDA DATE: March 3, 2021

Housing Advisory Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: 2020 ANNUAL PROGRESS REPORT ON THE GENERAL PLAN

Executive Summary

The General Plan Annual Report and Housing Element Annual Progress Report (APR) is an annual reporting document required by state law and County regulations. This staff report presents housing information discussed in the 2020 General Plan and Housing Element APR.

Background

Government Code Section 65400 and Santa Cruz County Code section 13.01.120 require preparation of an annual report regarding progress toward the implementation of the General Plan. Public hearings and review of this report by the Planning Commission and the Board of Supervisors are required by County regulations. State law also requires that this report be submitted to the Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) by April 1 each year.

This staff report presents housing information discussed in the 2020 General Plan and Housing Element APR, including Permanent Room Housing (PRH) projects, density bonus projects, status of Regional Housing Need R-Combining District sites, and progress towards meeting the Regional Housing Needs Allocation (RHNA). Housing statistics are also attached to this report and presented in Housing Element APR tables that will be submitted to HCD (see Exhibit A).

Density Bonus Policy and Projects

Since the County last updated SCCC Chapter 17.12 in late 2018, the State has enacted legislation making further amendments to density bonus law, which in most cases preempt local codes if in conflict. Staff is currently working on a draft ordinance to update Chapter 17.12 where necessary to ensure consistency with these recent state laws, which include AB 1763, chaptered in 2020, and four bills chaptered in 2019. This work has been delayed somewhat due to the COVID-19 pandemic, which caused some reprioritization of workload. Staff will bring the draft ordinance forward for adoption when it is ready for review.

In 2020, one project application was received with a requested density bonus and two density bonus projects were approved. The following table details density bonus projects received, approved, and under construction in 2020.

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2020 DENSITY BONUS PROJECTS				
Project	Status	Project Type	Total Dwelling Units	Affordable Units
Paul Minnie	Entitled Apr-19	Rental / Mixed Use	15	2: Very Low
Pleasure Point Plaza	Entitled Dec-19	Rental / Mixed Use	33	4: Very Low
Soquel Townhomes	Entitled Jan-20	For-Sale, 43% bonus	15 (13 new)	2: Mod
Capitola Rd Extension	Entitled Sep-20	Rental, 35% bonus	7	2: Low
3212 Mission Dr.	Entitled Feb-21	For-Sale, 40% bonus	21	3: 2 Mod, 1 Very Low
Habitat for Humanity, Harper St.	4 In Construction	For-Sale, PUD	11	11: Low
1500 Capitola Rd.	Site Improvements in April	Mixed-Use Project	57	56

Permanent Room Housing (PRH) Projects

In 2020, the County approved the PRH Combining District to recognize the conversion of obsolete visitor accommodations to housing units that are “affordable by design” due to their small size. The following table details eight PRH projects approved in 2020. Of the 64 total units created, 61 are estimated to be affordable, ranging from very low to moderate income affordability levels.

2020 Permanent Room Housing Projects		
Street Address	Total Units	Affordable Units
10110 Soquel Avenue, Aptos	9	9: Very Low
165 East Street, Aptos	3	3: Low within Coastal Zone
222 Santa Cruz Ave, Aptos	13	12: Low within Coastal Zone
6154 Highway 9, Felton	10	7: Very Low & 3: Low
4700 Highway 9, Felton	6	2: Low & 4: Mod
13320 Highway 9, Boulder Creek	11	5: Very Low & 4: Low
14630 Two Bar Road, Boulder Creek	5	2: Very Low & 3: Low
14650 Two Bar Road, Boulder Creek	7	6: Very Low & 1: Low
Total	64	61

Status of Development on Parcels in the Regional Housing Need R-Combining District

From 2007 - 2009, as required by HCD as part of the certification of the County's Housing Element, 26.5 acres of land on a total of five sites were rezoned to allow for housing at 20 units per acre. Three R-Combining Sites have been development to date. No building permits have been issued yet for the remaining R-Combining sites: Erlach in Soquel, Lamb (Pippin II) in Pajaro Valley, and Nigh/Protiva in Live Oak. The former site has been the subject of developer interest, but no permit applications have been received to date.

Remaining R-Combining Sites with Approved PUDs:

- No building permits have been issued yet for the remaining R-Combining sites: Erlach in Soquel, Lamb (Pippin II) in Pajaro Valley, and Nigh/Protiva in Live Oak. The former site has been the subject of developer interest, but no permit applications have been received to date.
- In June of 2019, the Board of Supervisors approved an acquisition loan to MidPen Housing for the remaining parcel rezoned under the R-Combining program, at 78 Atkinson Lane, known as the Lamb site or Pippin II. MidPen Housing purchased the parcel in 2019 through its affiliate, MP Berry Farms LLC, and submitted an application for design review in early 2021. The current project includes construction of 80 units near Atkinson Lane. MidPen Housing has developed proposed site plans and designs for this project and held a community meeting with neighbors and County representatives in November 2020. The current project schedule anticipates the design review hearings will occur in Fall of 2021 and construction will begin in April/May of 2022. The project is proposed as affordable rental housing for families and farmworkers, and has received a Joe Serna, Jr. Farmworker Housing Grant from the State to support development of the farmworker housing units in the project.
- The medical office building and parking garage proposed on the Nigh site is currently in environmental review. Per Housing Element Policy 1.2, properties zoned RM-2-R may be rezoned when "substitute property is concurrently rezoned from lower density to at least 20 DU/acre, or a mixed-use project that would supply the same number of rental dwelling units is concurrently approved." The 100 units contemplated at this site were recently entitled within several mixed-use projects, including one project that was rezoned to the R-Combining District at 20 DU/acre. These projects were approved in 2019 within the same planning area (Live Oak) and serve as concurrently approved substitute properties:
 - 15 rental units at 2606 Paul Minnie Avenue
 - 33 rental units at 3911 Portola Drive
 - 57 rental units at 1500 Capitola Road (see rezone details below)
 - 13 rental units at 1135 17th Avenue

These projects amount to a total of 118 rental units, including six very low-income units within the first two projects, and 57 very low and low-income units within the third project, an 100% affordable rental project. All three projects are mixed-use projects on commercial sites which utilized the County's recently amended density bonus codes.

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Sites in R-Combining Zone District						
Site Name	APNs	Street Address	Supervisor District	Acreage within R Combining District*	Unit Yield	Units Built
17 th and Capitola Road	026-741-12, 026-741-13, 026-741-14, 026-741-15	1500 Capitola Road, Santa Cruz, 95062	1	2.4	48	57
Nigh	029-021-47	5940 Soquel Ave., Santa Cruz, 95062	1	5.0	100	--
Erlach	037-101-02 037-061-66	3250-3420 Cunnison Lane, Soquel, 95073	1	5.1	102	--
Aptos Blue (formerly Miller)	039-471-09	3200 Aptos Rancho Rd., Aptos, 95003	2	2.0	40	40
Schapiro Knolls (formerly Minto)	051-511-35	33 Minto Road, Watsonville, 95076	4	4.4	88	88
Atkinson Lane (Pippin)	Pippin Orchard	048-211-25	56 Atkinson Lane, Watsonville, 95076	4	1.3	26
	Lamb (Pippin II)	048-221-09 019-236-01	78 Atkinson Lane, Watsonville, 95076	4	8.7	174
* Gross parcel acreage for some sites may be larger than portion in R-Combining district.				TOTAL	28.9	578
					211	

Housing Element Annual Progress Report

This part of the General Plan Annual Report details progress in meeting the County's share of regional housing needs and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. The Housing Element Annual Progress Report (APR) is prepared using standards, forms, and definitions adopted by HCD. The data and information in the HCD forms document the number of new units of all types of housing in each income category, and the progress in meeting the County's share of the Regional Housing Needs Allocation (RHNA).

The reporting forms have been revised by HCD in recent years and require detailed information on each application, entitlement, issued building permit and completed construction in an Excel spreadsheet format. As a result, the tables are large and difficult to reproduce as attachments to this report. Therefore, Tables A and A2 are not attached to this report but will be submitted to HCD and OPR as required. Summaries of the information presented in Tables A and A2 are attached to this report in Table B and four summary tables.

Table A contains data on the housing development applications that were submitted to the Planning Department in 2020. A total of 106 units were proposed in the 84 applications received last year. Approximately 85% of the applications were still in process at the end of 2020 and are expected to be approved in 2021.

Table A2 contains data on the discretionary housing development applications that were approved (entitled), all ministerial building permits issued for housing development, and housing construction completed. Building permits were issued for a total of 142 housing units in 2020 including single family dwellings, ADUs, apartments, and condominium units. Eleven housing projects were entitled in 2020, proposing development of 38 new units, and 99 units were granted final building permits.

Table B places these 142 new housing units into affordability categories to demonstrate the County's progress in meeting the allocated share of regional housing need for the planning period (RHNA).

Table C is not applicable to Santa Cruz County.

Table D contains information on the status and progress of Housing Element program and policy implementation for all programs described in the Housing Element.

Tables E and F are not applicable to Santa Cruz County.

Table G requests a list of County-owned sites from the Housing Element Sites Inventory that were sold, leased, or otherwise disposed of during the reporting year. A number of dispositions currently in progress are expected to be finalized in 2021 and included in next year's report.

Table H requests an inventory of County-owned surplus lands in Census urbanized areas. No County properties were declared surplus in 2020.

The Summary Tables provides a summary of housing units for which building permits were issued and applications were submitted in 2020. These tables also include information on SB 35 streamlining applications and permits; no projects have applied for SB 35 streamlining in the County to date.

The LEAP Reporting table is required for any jurisdictions that have received Local Early Action Planning (LEAP) grants. Santa Cruz County submitted an application for the LEAP grant that is expected to be finalized in 2021 and included in next year's report.

Prepared by:

Natisha Williams
Planner IV

Reviewed by:

Stephanie Hansen
Principal Planner

Attached: Housing Element Annual Progress Report Table B and Summary Tables

Table B

Regional Housing Needs Allocation Progress

Permitted Units Issued by Affordability

		1	2									3	4
Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income
Very Low	Deed Restricted	317	1	42								72	245
	Non-Deed Restricted							29					
Low	Deed Restricted	207	3	23			2	16				85	122
	Non-Deed Restricted					15		26					
Moderate	Deed Restricted	240		1								250	
	Non-Deed Restricted		84	34	66	26	28	11					
Above Moderate		550	33	17	38	44	46	60				238	312
Total RHNA		1314											
Total Units			121	117	104	85	76	142				645	679

Note: units serving extremely low-income households are included in the very low-income permitted units totals

Jurisdiction	Santa Cruz County - Unincorporated	
Reporting Year	2020	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	29
Low	Deed Restricted	16
	Non-Deed Restricted	26
Moderate	Deed Restricted	0
	Non-Deed Restricted	11
Above Moderate		60
Total Units		142

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Housing Applications Summary	
Total Housing Applications Submitted:	84
Number of Proposed Units in All Applications Received:	106
Total Housing Units Approved:	106
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas