

2023 General Plan Annual Report
for
Santa Cruz County - Unincorporated
Reporting Calendar Year 2023

Prepared by:

County of Santa Cruz Community Development & Infrastructure Department



February 28, 2024

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State law and Santa Cruz County regulations require preparation of an annual report on the progress toward implementation of the Santa Cruz County General Plan and Housing Element. This includes an update on housing programs as well as various housing statistics that demonstrate the County's progress toward meeting the regional fair share of housing needs. The following statutes list the specific information required in this report, which is presented in the sections below. *Staff notes are shown in italics.*

State Law

California Government Code 65400(a)(2) requires the County by April 1 of each year to provide an annual report to the Board of Supervisors, the State Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD) that includes the following:

(A) The status of the General Plan and progress in its implementation.

The County Code contains provisions addressing this requirement, please refer to that section of this report.

(B) The 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) portion of this report addresses this requirement and is prepared using standards, forms, and definitions adopted by HCD.

(C) The number of housing development applications received in the prior year (*APR Table A*).

(D) The number of units included in all development applications in the prior year (*APR Table A*).

(E) The number of units approved and disapproved in the prior year (*APR Table A2*).

(F) The degree to which the General Plan complies with the guidelines developed by OPR.

The General Plan was prepared and adopted in compliance with guidelines developed by OPR and any updates are prepared in compliance with the latest guidelines.

(G) A listing of sites rezoned to accommodate that portion of the city's or County's share of the regional housing need (*See APR*).

(H) The number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category, by area median income category, that each unit of housing satisfies (*APR Table B*).

(I) The number of applications submitted, approvals granted, building permits issued, and number of units constructed pursuant to Senate Bill 35 (2019) which provides streamlined review and approval for eligible affordable housing projects (*APR Table A2*).

(J) If the city or county has received funding pursuant to the Local Government Planning Support Grants Program (*APR LEAP Reporting Table*).

(K) The progress of the city or county in adopting or amending its general plan or local open-

space element in compliance with its obligations to consult with California Native American tribes, and to identify and protect, preserve, and mitigate impacts to tribal cultural resources.

The County coordinates the tribal consultation process in the General Plan amendment process.

(L) Information on density bonus applications (*APR Report and Table A2*).

(M) Information on each application submitted pursuant to Assembly Bill 2011 (2022) which provides a pathway for multifamily projects on commercial zoned land.

This law went into effect July 1, 2023. No activity occurred pursuant to this law in the County in the latter half of 2023.

County Code

Santa Cruz County Code (SCCC) Section 13.01.120 addresses the status of the General Plan and progress in its implementation and includes the following specific requirements for the General Plan Annual Report:

(A) The report shall be subject to a public hearing at the Planning Commission and Board of Supervisors and shall include, but not be limited to, a summary of the following information:

(1) A summary of General Plan amendments processed during the preceding year and those pending review, including those initiated by amendment applications and by referrals from the Board of Supervisors.

(2) A report on the progress and status of implementation programs such as the annual review of commercial agricultural land classification pursuant to SCCC Chapter 16.50; park site acquisitions and reviews for development applications; General Plan consistency reports for public works projects; capital improvement program preparation and reviews for independent agencies; and the development of priority coastal uses including low and moderate income housing, visitor accommodations, and public access to the coast.

(3) A review of significant policy issues which may have arisen regarding provisions of the General Plan and including the annual urban services line review pursuant to Chapter 17.02 SCCC.

(4) A recommendation for General Plan amendments to be initiated to maintain an effective, up-to-date General Plan including policy changes, clarifications, and new policy development; changes in land use allocations; and changes necessary to update resource and constraint maps. The recommendation may also include suggestions for priorities for implementation programs, as well as General Plan amendments to be included in the work program for the following fiscal year.

In addition, SCCC 13.10.681(K) requires the General Plan Annual Report to include a review of impacts of the Accessory Dwelling Unit (ADU) ordinance including the number of ADUs constructed and the impacts such construction has created in each planning area, with particular attention to the cumulative impacts within the coastal zone.

2023 General Plan Amendments

In order to maintain an effective and up-to-date General Plan, several elements were revised and updated in 2022 to incorporate sustainability principles by providing for efficient land use, resource protection, economic opportunities, transportation options, adequate housing and quality neighborhoods, as articulated in the vision of the Sustainable Santa Cruz County Plan (2014).

During 2022, County staff finalized amendments associated with the Sustainability Policy and Regulatory Update (Sustainability Update) and prepared an Environmental Impact Report (EIR) on the package. The package substantially amended and renamed several General Plan chapters including the Introduction; Built Environment (formerly Land Use); Access and Mobility (formerly Circulation); Agriculture, Natural Resources, and Conservation (formerly Conservation and Open Space); and the existing Parks, Recreation and Open Space Chapters. The updates incorporate sustainability policies for development in unincorporated urban areas and new land use designations and code modernization revisions to the SCCC per the Sustainable Santa Cruz County Plan. Environmental review and tribal consultation for the project was completed, and the project was presented at a series of community meetings and considered at public hearings by the Planning Commission and Board of Supervisors. In December 2022, the Board of Supervisors approved the General Plan and Local Coastal Program (LCP) and County Code Amendments. The package was submitted to the California Coastal Commission for certification of elements that comprise the County's LCP and the Coast Commission certified the LCP Amendments in December 2023 with modifications. In January 2024, the Board of Supervisors took formal action to accept the Coastal Commissions modifications. The final step that will occur at the Commission's March 2024 meeting will be formal acknowledgement by the Commission that the County's action accepting the modifications is legally adequate, after which the Sustainability Update will be completed.

General Plan Amendments Pending Review

In 2023 the County embarked on a project to update the Housing Element of the General Plan as required by HCD pursuant to State General Plan law. This is known as the 6th cycle update of the Housing Element and must including planning to accommodate the Regional Housing Needs Allocation (RHNA) assigned to the County. The 6th cycle update is significant in that the County's RHNA number, as assigned by the State for our region and allocated through a process conducted by the Association of Monterey Bay Area Governments (AMBAG), is substantially increased by approximately three and a half times to 4,634 compared to the RHNA number for the current, or 5th cycle, Housing Element (1,413). The Board of Supervisors approved the 2023 Housing Element on November 14, 2023, and the Element is now pending HCD certification.

In 2023 work continued on the updates to the Public Safety Element to update to the coastal hazards policies of the Public Safety Element. The California Coastal Commission approved the County's grant application to complete a sea level rise vulnerability assessment and General Plan/LCP Amendment and the County initiated the RFP process to procure a contractor to complete the study; a consultant was selected and a contract approved by the Board of Supervisors in February, 2014. The study is expected to begin in early 2024 and public outreach and processing of the associated General Plan/LCP Amendment in the following year(s).

Implementation Programs

The General Plan/LCP includes several implementation programs designed to ensure ongoing conformance with existing land use policy. Key General Plan programs are highlighted in this section.

The General Plan prioritizes preservation of agricultural lands in the county. Agricultural resource lands are designated by the General Plan and are further classified into agricultural land types based on viability of continued agricultural operations. There were no applications to amend an agricultural land classification type in 2023. However, the project to build a solid waste transfer station at the Buena Vista Landfill will require an amendment to an agricultural land classification

type and that request will be part of a future planning application for the project. While the Sustainability Update updated policies and regulations to support modern farming practices, County regulations continue to preserve agricultural land as an essential and irreplaceable resource for future generations by maintaining policies limiting land divisions and conversions of agricultural land and requiring buffers on land adjacent to commercial agricultural parcels. The Sustainability Update also provides new guidance for siting development to protect agricultural land and minimize disturbance to agricultural soils and local agricultural operations.

When a development permit application is filed with the County for a property that is designated as a proposed park site in the General Plan, the property is reviewed by Parks, Open Space & Cultural Services Department staff and the Park and Recreation Commission for possible acquisition. There were no reviews of “D” designations by the Parks and Recreation Commission in 2023. In May 2023, the Department accepted ownership of five parcels adjacent to Hidden Beach Park from the Coastal Conservancy. In August 2023, the Department completed acquisition of a South County site for development of a future park.

The County Administrative Office in conjunction with the Community Development and Infrastructure Department and other departments creates a Capital Improvement Program (CIP) document, which is required to be consistent with the General Plan. The CIP is required to be reviewed by the Planning Commission and approved by the Board of Supervisors along with the County budget each year. Capital projects proposed by other agencies in the unincorporated portion of the County are also reviewed for General Plan consistency. No projects in the current CIP were found to be inconsistent with the County’s General Plan.

Progress was made in 2023 on two projects involving improvements to public access to the coast, including modifying the scope of the Moran Lake Restoration and Public Access Plan project to pursue a phased approach, and the design of a permanent accessible restroom facility at Hidden Beach County Park. In 2023 a draft of the North Coast Facilities and Management Plan (NCFMP) was completed. The draft NCFMP provides an analysis of existing conditions and proposes a list of projects to address ongoing issues on the North Coast. The final plan is expected to be ready in early 2024. The final plan will help identify grant and other funding sources for the projects. Preservation of lower and moderate-income housing is a priority in the Coastal Zone. In 2023 no conversion or demolition of existing residential units occupied by persons or families of lower or moderate income were proposed within the Coastal Zone.

Significant Policy Issues

The purpose of the Annual Urban Services Line Review is to consider the need for possible inclusion or removal of particular parcels or areas. There is no identified need at this time for inclusion or removal of parcels or areas. There were no formal applications filed in 2023 to amend the Urban Services Line.

Recommendation

A priority of the Planning Division in 2024 is to complete the required update of the Housing Element and begin the rezone process for identified parcels, as well as to continue working on select updates to the Safety Element primarily involving coastal hazards policies, as well as adopting an SB9 and updated ADU Ordinance.

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 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 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 Division in 2023. These data are limited to the discretionary applications for housing units received in 2023. A total of 33 units were proposed in the 13 applications received last year. A total of 8 of the applications were approved in 2023 and 5 are still in process at the end of 2023 and are expected to be approved in 2024.

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. A total of 6 housing projects were entitled in 2023, proposing 8 new units. Building permits were issued for a total of 142 housing units in 2023 including single family dwellings, accessory dwelling units, apartments, and condominium units. A total of 164 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 1 below shows the County's progress in meeting its 5th Cycle RHNA as of the end of 2023. The data shows that the County has permitted approximately 90% of its RHNA units between 2014 and 2023.

Table 1: 5th Cycle RHNA Progress			
Income Level	5th Cycle RHNA	Units Permitted	Percent
<i>Very Low</i>	317	187	59%
<i>Low</i>	207	259	125%
<i>Moderate</i>	240	230	96%
<i>Above Moderate</i>	550	509	93%
Total	1,314	1,185	90%

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 is for a list of County-owned sites from the Housing Element Sites Inventory that were sold, leased, or otherwise disposed of during the reporting year. There were no further sites disposed of in 2023 following the disposal of Capitola Road site in 2021 and development of an additional affordable housing project and two nonprofit clinics.

Table H inventories County-owned surplus lands in Census urbanized areas. This list includes the surplus RDA site on 7th Avenue. No County properties were declared surplus in 2023.

The Summary Tables provides a summary of housing units for which building permits were issued and applications were submitted in 2023. 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 was approved in 2021 for an award in the amount of \$500,000. This grant award was used to fund the Sustainability Update.

Accessory Dwelling Unit Annual Report

As a condition of the Coastal Commission's certification of the amendments to the County's ADU ordinance in 2009 (SCCC 13.10.681[K]), the County is required to prepare an annual report evaluating the cumulative impacts associated with ADUs in each planning area, particularly within the Coastal Zone. The ordinance requires the report be included in the General Plan Annual Report and the annual Growth Goal Report. This analysis has traditionally been included as part of the annual Growth Report and is intended to provide a brief assessment of the cumulative impact of ADUs on traffic, water, public views, and environmentally sensitive areas.

The County first created a "second unit" (ADU) ordinance in 1983. In 1997, the Board of Supervisors adopted revisions to the ADU ordinance that included increased unit size limits in rural areas. In 2004, the Board adopted amendments to the ordinance to implement Assembly Bill (AB) 1866, eliminating the need for discretionary permits for ADUs in most cases. In 2008, the affordability restriction was lifted outside the Coastal Zone, and in 2009 this restriction was lifted inside the Coastal Zone, meaning that new and existing ADUs are no longer required to be rented at restricted rent levels. In 2016, the County undertook a study to understand the function of ADUs in the local housing market and to identify barriers that discourage new ADUs. In 2018, the ordinance was updated to incorporate recommendations from the study and also to comply with several state laws (SB 1069, AB 2299, AB 2406, SB 229, and AB 494). Additional state laws passed in 2019 (SB 13, AB 68, AB 587, AB 881) led to additional updates to local regulations in 2020 and 2021. Updates have included allowing ADUs anywhere single- or multifamily residential land use is allowed; removing discretionary requirements for ADUs; shortening the ADU building permit review period to 60 days; establishing regulations for Junior ADUs; easing development standards such as unit size, setbacks and parking; revising the owner occupancy requirement; removing the requirement for fire sprinklers for many cases; reducing fees for ADUs; allowing for separate sale of ADUs by non-profit organizations, and introducing a five-year ADU code enforcement amnesty program.

Major barriers to ADU construction include permit and construction costs as well as property owner unfamiliarity with the project planning, design, and construction process. Over the years, the County has developed various programs to address these barriers, including the ADU Forgivable Loan Program, the three year My House My Home partnership with Habitat for Humanity, reduced ADU permit fees and a fee waiver program for small ADUs beyond what is required by state law. Staff has also prepared a suite of resources on the County's user-friendly ADU website. In 2022, the Board of Supervisors decided to end the ADU Forgivable Loan Program due to low performance, and in its place the County is developing a technical assistance program to aid property owners with ADU project planning, design, and construction.

Updates to the County's ADU ordinance and incentive programs are expected to make ADUs more feasible and appealing to County homeowners, and County staff are already seeing an uptick in ADU applications. As Table 2 indicates, after a decrease in permit applications following the 2008-10 recession, application rates for ADUs have steadily increased in recent years, including a significant jump in 2021 with 63 building permits issued for ADUs in the unincorporated area. In 2023, 81 ADU permits have been issued, surpassing the total of 58 issued building permits from last year. This is the highest number of issued building permits for ADUs in the unincorporated area to date.

In order to further reduce barriers to ADU production, the Planning Department has partnered with a design consultant to create three pre-approved sets of ADU architectural plans that are available to applicants on the ADU website free of charge. Additionally, the Board of Supervisors adopted an ordinance that allows the use of tiny homes on wheels as ADUs.

ADUs in the Coastal Zone:

The data indicate that ADUs have been built primarily in urban, non-coastal areas. The recently revised regulations, particularly the removal of a minimum parcel size for an ADU permit and the reduction in required parking in certain cases, could contribute to increased production overall and within the Coastal Zone. Future ADU permit data will indicate what type of latent demand exists for ADUs inside the Coastal Zone and might show a change in development trends.

Since 2010, a total of 139 building permits have been issued for ADUs within the Coastal Zone of the unincorporated area. 2023 saw a significant jump of ADU permits overall, including 31 in the Coastal Zone, and the County has seen a gradual increase in the development of ADUs near the coast in recent years, with approximately 28% of all ADU permits issued in the Coastal Zone in the past 14 years. Given the relatively small number of building permits issued for ADUs in the Coastal Zone, it is likely that there have been limited cumulative impacts to traffic, water, public views, and environmentally sensitive areas, if any, in the Coastal Zone. County staff will continue maintain a close review of ADUs in the Coastal Zone, particularly as we continue to see local and state regulations encourage greater development of ADUs throughout the County.

TABLE 2: Total ADUs Issued Building Permits in Unincorporated County by Planning Area Since 2010																
	10	11	12	13	14	15	16	17	18	19	20	21	22	23		TOTAL
Aptos	1	2	2	2	1	1	0	1	3	8	4	18	10	11		64
Aptos Hills	6	2	4	8	1	4	2	6	6	0	1	1	1	5		47
Bonny Doon	3	1	2	1	0	2	0	1	2	2	1	4	5	4		28
Carbonera	2	6	3	2	1	6	0	4	3	3	1	6	4	3		44
Eureka Canyon	1	2	1	2	2	2	1	0	2	2	3	1	0	2		21
La Selva	0	0	0	1	0	0	0	0	0	0	0	1	0	0		2
Live Oak	2	2	0	5	6	6	7	10	4	8	19	22	22	27		140
North Coast	0	1	0	1	0	0	0	0	0	0	0	1	0	2		5
Pajaro Valley	3	0	1	1	2	1	2	0	4	1	0	3	5	8		31
Salsipuedes	0	0	1	1	2	0	0	2	2	0	0	1	0	1		10
San Andreas	0	0	0	0	0	0	0	0	1	1	0	0	1	2		5
San Lorenzo Valley	1	1	0	0	1	2	4	1	4	2	4	3	6	2		31
Skyline	0	0	1	0	0	0	1	2	0	1	1	0	0	0		6
Soquel	0	1	2	4	2	1	1	0	3	1	2	2	2	9		30
Summit	5	0	2	1	1	4	1	1	3	0	1	0	2	5		26
TOTAL	24	18	19	29	19	29	19	28	37	29	37	63	58	81		490

TABLE 3: Coastal Zone ADUs Issued Building Permits in Unincorporated County by Planning Area Since 2005															
	10	11 ⁽¹⁾	12 ⁽¹⁾	13	14	15	16	17	18	19	20	21	22	23	TOTAL ⁽¹⁾
Aptos	0	1	1	1	0	0	0	0	2	6	2	12	8	7	40
Aptos Hills	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
Bonny Doon	2	1	1	0	0	1	0	2	2	0	1	2	0	2	14
Carbonera	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
Eureka Canyon	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
La Selva	0	--	--	1	0	0	0	0	0	0	0	1	0	0	2
Live Oak	0	1	--	3	4	3	4	2	2	4	9	11	12	18	73
North Coast	0	1	--	1	0	0	0	0	0	0	0	1	0	2	5
Pajaro Valley	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
Salsipuedes	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
San Andreas	0	--	--	0	0	0	0	0	1	1	0	0	1	2	5
San Lorenzo Valley	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
Skyline	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
Soquel	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
Summit	0	--	--	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	2	5	4	6	4	4	4	4	7	11	12	27	21	31	139
⁽¹⁾ Unknown Planning Area for one ADU in 2011 and two ADUs in 2012. ADU total by year is accurate but Planning Area totals are incomplete for these years.															

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Exhibit B

Housing Element Annual Progress Report Tables
for
Santa Cruz County - Unincorporated
Reporting Calendar Year 2023

Prepared by:

County of Santa Cruz Community Development and Infrastructure Department



February 28, 2024

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SUMMARY

Data is auto-populated based on data entered in Tables A, A2, C, and D

Jurisdiction	Santa Cruz County - Unincorporated	
Reporting Year	2023	(Jan. 1 - Dec. 31)
Housing Element Planning Period	5th Cycle	12/31/2015 - 12/31/2023
Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	4
	Non-Deed Restricted	61
Moderate	Deed Restricted	4
	Non-Deed Restricted	18
Above Moderate		55
Total Units		142

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

Units by Structure Type	Entitled	Permitted	Completed
Single-family Attached	0	24	11
Single-family Detached	4	24	47
2 to 4 units per structure	0	4	4
5+ units per structure	0	0	57
Accessory Dwelling Unit	4	83	45
Mobile/Manufactured Home	0	0	0
Total	8	135	164

Infill Housing Developments and Infill Units Permitted	# of Projects	Units
Indicated as Infill	0	0
Not Indicated as Infill	0	0

Housing Applications Summary	
Total Housing Applications Submitted:	13
Number of Proposed Units in All Applications Received:	33
Total Housing Units Approved:	8
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions - Applications			
Number of SB 35 Streamlining Applications			0
Number of SB 35 Streamlining Applications Approved			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
Streamlining Provisions Used - Permitted Units		# of Projects	Units
SB 9 (2021) - Duplex in SF Zone		0	0
SB 9 (2021) - Residential Lot Split		0	0
AB 2011 (2022)		0	0
SB 6 (2022)		0	0
SB 35 (2017)		0	0
Ministerial and Discretionary Applications		# of Applications	Units
Ministerial		0	0
Discretionary		13	33
Density Bonus Applications and Units Permitted			
Number of Applications Submitted Requesting a Density Bonus			1
Number of Units in Applications Submitted Requesting a Density Bonus			21
Number of Projects Permitted with a Density Bonus			1
Number of Units in Projects Permitted with a Density Bonus			5
Housing Element Programs Implemented and Sites Rezoned		Count	
Programs Implemented		56	
Sites Rezoned to Accommodate the RHNA		0	

Cells in grey contain auto-calculation formulas

Jurisdiction			Santa Cruz County - Unincorporated		ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation										This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs. Please contact HCD if your data is different than the material supplied here															
Reporting Year			2023 (Jan. 1 - Dec. 31)																											
Planning Period			5th Cycle 12/31/2015 - 12/31/2023																											
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 Level					
Very Low	Deed Restricted	317	-	-	1	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	187	-	190				
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-	-	-	29	-	-	-	-	-	-	-	-	-	-	-	-				
Low	Deed Restricted	207	-	-	3	24	-	-	-	-	2	-	16	4	60	4	60	4	60	4	60	4	259	-	-					
	Non-Deed Restricted		-	-	-	-	-	-	15	-	-	-	26	31	13	61	4	61	4	61	4	61	4	259	-	-				
Moderate	Deed Restricted	240	-	-	-	-	-	-	5	1	-	-	-	-	-	2	4	2	4	2	4	2	4	230	10	10				
	Non-Deed Restricted		-	-	50	19	28	21	27	-	11	19	25	18	25	18	25	18	25	18	25	18	230	10	10					
Above Moderate			-	-	67	32	76	44	46	60	46	83	55	509	41	509	41	509	41	509	41	509	41	509	41	41				
Total RHNA			1,314																											
Total Units					-		121	117	104	85	76	142	100	298	142	1,185	181	181	181	181	181	181	181	181	181	181				
Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).																														
			5												6		7													
			Extremely low-income Need		2015		2016		2017		2018		2019		2020		2021		2022		2023		Total Units to Date		Total Units Remaining					
Extremely Low-Income Units*			159		-		-		-		-		-		-		-		65		-		65		94					

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Jurisdiction		Santa Cruz County - Unincorporated	
Reporting Year		2023	(Jan. 1 - Dec. 31)
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Program 1.1: Explore opportunities for rezoning other appropriate urban sites to RM zoning and increasing densities on current RM zoned sites to densities more appropriate for attached housing.	Land is available for housing	2016-2018, in conjunction with SSCC implementation effort	Completed. The Sustainable Santa Cruz County (SSCC) planning study identified a number of "new zoning tools" and areas suitable for higher density and mixed-use development. The SSCC was accepted by the Board on 10/28/14. General Plan and County Code Policy and Regulatory Amendments (Sustainability Update) to incorporate the SSCC recommendations along with an Environmental Impact Report was prepared during 2020/2021/2022. Population and housing forecasting for this project included the identification of potential opportunity sites where additional housing at higher zoning densities could be achieved. In December 2022, the Board of Supervisors approved the Sustainability Update, which includes the establishment of a new urban high density "flex" residential (R-UHF) designation and simplifies and expands the range of the allowable density of urban residential land use designations and increases the residential percentage in mixed-use projects. In addition, in 2018, the County updated its density bonus codes, including adding a new Enhanced Density Bonus Program, which allows a bonus of up to 50%, or up to 75% for non-profit developers, for projects providing more affordable units than required under state law. This code change also changed procedures to make it easier for developers to apply for high-density zoning.
Program 1.2: Explore options for preserving affordable housing in the rural portions of the County, including the village centers, and for creating accessory dwelling units on existing lots of record that are already developed with single family homes, consistent with sewage disposal regulations.	Land is available for housing	2016, On-going	In the last several years the County has implemented a regulatory reform program called "Safe Structures" that includes provisions to help property owners better maintain existing structures, including rental housing. Under this program, unpermitted structures that cannot obtain a permit under the current building code without being completely rebuilt have the option of obtaining a safety inspection and obtaining a certificate pending necessary safety upgrades. Similarly, in 2020 the Board of Supervisors approved General Plan/LCP and County Code amendments for creation of a Permanent Room Housing (PRH) Combining Zone District. This new zone district recognizes the conversion of obsolete visitor accommodation and care facilities to small rental housing units that are affordable by design. Many of these facilities are located in the rural San Lorenzo Valley. Approval to join the district requires rezoning, a use permit, and a health and safety inspection similar to the inspection for the Safe Structures program. Nine properties (representing 66 units) have joined the district so far. The County's accessory dwelling unit regulations were amended in 2018 and 2020 to relax development standards, reduce fees and remove various occupancy requirements for accessory dwelling units. The purpose of these updates has been to facilitate development of more ADUs (especially small ADUs that are affordable by design) and comply with state ADU laws. The ADU regulations were further updated in 2021 for the purpose of streamlining ADU

			development in Santa Cruz County, aligning with the ADU Guidebook released by the California Department of Housing and Community Development (HCD), and resolving points of confusion in existing ADU regulations. In 2022, the Board of Supervisors approved an ordinance providing regulations for Tiny Homes on Wheels to function as either a primary unit or an ADU. This provides an additional housing option that is more affordable compared to traditional housing construction.
Program 1.3 Evaluate floor area ratio, height, stories, parking and density standards in the RM districts to ensure that they appropriately support feasible development of multi-family housing and pursue code updates as needed.	Land is available for housing	2016-2018, in conjunction with SSCC implementation effort	These objectives are incorporated in the General Plan update and code amendments described under Program 1.1 above.
Program 1.4 Initiate a General Plan policy amendment to consider modifying the existing density limit, and the existing 50% maximum residential square footage in the C-1, C-2, and PA zoning districts, through the PUD process, to better support the feasibility of mixed-use projects.	Land is available for housing	2016	The Board of Supervisors adopted Ordinance 5286 on December 4, 2018 to update the County's density bonus codes consistent with recent State legislation, create an enhanced density bonus program allowing a bonus of up to 50% for certain mixed income developments and up to 75% for 100% affordable developments, update the code for the Regional Housing Need Combining district, and make several minor amendments to the County's inclusionary zoning codes related to in-lieu fees. The Coastal Commission considered the ordinance on March 6, 2019 and recommended several modifications to the Coastal-implementing portions of the ordinance. Seven projects have already been entitled using these new code provisions as identified in the other tables of this report, with several under construction and several others in the building permit process, with a total of 159 units; and several more projects have submitted applications or preliminary plans also using these new codes. See also Program 1.1, which will modify the 50% limit on residential units in mixed-use developments. This item has been completed in part through Ordinance 5286. The remaining work (General Plan policy update) is addressed through Program 1.1. The Sustainability Update described in Program 1.1 makes additional changes to local density bonus regulations including provisions for an 80% bonus for certain types of development to align with state law. In addition, bills passed by the legislature and signed by the Governor in 2022 would allow more residential development in commercial zones, provided certain affordability, labor standards and siting criteria are met.
Program 1.5: - Create General Plan designations and zoning regulations to implement residential flex and workplace flex zonings that encourage and facilitate smaller units and rental units, where the number of units is based upon site standards, and which will facilitate job creation for a variety of enterprises, and perform environmental review in accordance with the California Environmental Quality Act - Identify suitable sites for newly created designations and zoning districts, and propose appropriate sites for re-designation and rezoning.	Land is available for housing	2016-20182018-2020	See Program 1.1

<p>Program 2.1: Use funds generated by the Affordable Housing Impact Fee (AHIF) to create new deed-restricted, affordable rental opportunities, and to support the administration and maintenance of the County's Measure J portfolio of deed restricted homes. See Appendix 4.3-2: AHIF Expenditure Plan Principles, April 21, 2015.</p>	<p>Encourage and assist in the development of housing</p>	<p>Ongoing</p>	<p>The Housing section of the Community Development & Infrastructure Department continues to implement established programs to encourage and assist in the development of affordable rental housing. On February 10, 2015, the County established an AHIF for new housing units and non-residential development, as codified in Chapter 17.10 of the Code and in the Unified Fee Schedule. In April 2022 the Board of Supervisors appropriated funding from AHIF and Low-Mod Income Housing Asset Fund (LMIHAF) for a 3-year Accessory Dwelling Unit Incentives Program. The ADU Incentives Program will help interested homeowners evaluate options and understand steps to develop an ADU on their properties. The ADU Incentives Program will be launched in Spring of 2023. The County received over \$500,000 in AHIF revenues in FY 2018/19, another \$327,663 in FY 2019/20, and \$311,760 in FY 2020/21. In FY 2021/22 the County received \$571,278 in AHIF revenues. Staff estimates approximately \$500,000 in AHIF revenues will be received in FY 2022/23. The COVID 19 and CZU wildfire disasters caused some slowdowns in building permit activity for much of calendar year 2020, which led to the reduction in AHIF revenues during that period, compared to earlier years. Staff expects to assist a new deed-restricted multifamily housing project with a significant amount of the AHIF balance within the next year or two. It has taken some years to accumulate enough balance to assist a new multi-family affordable project, as most projects require several million dollars in financing to make a project competitive for other public subsidies, such as tax credits and state subsidies.</p>
<p>Program 2.2: Continue to leverage available County affordable housing funds by collaborating with both for-profit and non-profit developers of affordable housing projects to maximize long-term affordability restrictions and to promote the development of a variety of housing types, including those that serve Extremely Low-Income households, which will require additional local subsidies. Local funds and actions include but are not limited to RDA Successor Agency Housing Asset Funds (as former RDA loans are re-paid) and the County Affordable Housing Impact Fee (AHIF) Fund. Funding will continue to be leveraged from federal, state, and private sources, thereby maximizing the impact of County dollars.</p>	<p>Encourage and assist in the development of housing</p>	<p>On-going</p>	<p>This is an ongoing program, and a major part of the Housing Section's workload. Please see prior year's APRs for details on work in prior years. Current projects that implement this Program 2.2 include an 11-unit Habitat for Humanity project at 2340 Harper Street, which is about 50% complete and occupied, and on track to be fully completed as planned, and a 57-unit affordable rental project at 1520 Capitola Rd, currently under construction and scheduled to be completed in 2023. Both of these projects are on sites owned by the former RDA, and both received County Low-Mod funds. Another project of 80 units, on one of the last remaining R-Combining sites (the "Pippin II" project on Atkinson Lane in Watsonville), also received County Low-Mod funds for acquisition, began construction in June 2022, and will be completed within a year. A "Homekey" new construction, supportive housing project of 36 ELI units at 2838 Park Avenue, was permitted in 2022, also received County Low Mod Funds and is currently under construction. Another Homekey project (Vets Village) has completed a Development Review Group and NEPA environmental assessment and is expected to start construction in 2023. A third Homekey project located in South County, consisting of renovation and reuse of an existing structure, is in the predevelopment phase, and has applied for a predevelopment loan.</p>
<p>Program 2.3: Improve community understanding of the relationship between affordable housing, environmental protection, and the community and economic vitality benefits of compact communities. Develop a community-based outreach program,</p>	<p>Encourage and assist in the development of housing</p>	<p>2016-2018, in conjunction with SSCC implementation effort</p>	<p>A significant level of public conversation and County actions occurred during the years 2016-2018, including many public meetings, feature newspaper articles, and Board of Supervisors actions. This conversation has been prompted by actions on an update of the Affordable Housing Program, the Sustainable Santa Cruz County Plan (SSCC), and the Economic Vitality Strategy. In addition, during the years 2017 and 2018, the County engaged the public in the development of a Strategic Plan for the County, which focuses on housing, economic vitality and health, community development, and sustainable environment. As initiatives related to these programs move forward there will be continuing need to educate the community to better understand the issues. Further discussion of these issues occurred as part of the General Plan and County Code</p>

building on the extensive program associated with the Sustainable Santa Cruz County Plan that was completed in 2014, to be undertaken in conjunction with efforts to implement that SSCC Plan.			Sustainability Update approved by the Board of Supervisors in December 2022 and described in Program 1.1 above. Outreach included a highly interactive website aimed at public education and involvement in the Sustainability Update. The outreach program included multiple community meetings following the release of the draft documents. Further community engagement on similar topics will occur in FY 2023/24 related to the Housing Element Update.
Program 2.4: Explore expanding local funding sources to assist in the financing of affordable housing, including transfer taxes, bonds for affordable housing projects and other opportunities.	Encourage and assist in the development of housing	2016-2018	In April 2018, the County adopted an ordinance making several amendments to Chapter 17.10 related to the Affordable Housing Impact Fee requirement and the County's inclusionary housing requirements, based on an update to the nexus study prepared to support establishment of the AHIF in 2015. The AHIF is used to support various types of affordable housing projects. In addition, the County has implemented a transfer tax increase that will be available to support affordable housing. The County supported a "Housing Solutions Bond" that appeared on the November 2018 ballot intended to address the shortage of affordable housing for local working families and other vulnerable community members. The bond failed to attract the two-thirds vote required. However, the State has created an ongoing permanent source called "PLHA" and the County has recently received its first award of PLHA funds. This Program is now complete.
Program 2.5: Explore the feasibility of fee waiver, reduction, or deferral programs to assist the creation of affordable housing.	Encourage and assist in the development of housing	2016-2023	The fee schedule was modified to reduce the overall cost of an ADU permit by treating ADUs as additions rather than new units for the purposes of permit fees. Also, in 2019 the Board of Supervisors began a three-year pilot program waiving all planning department permit review fees for ADUs of ≤640 SF. State law, beginning in 2020, prohibits local agencies from charging impact fees for ADUs of <750 sf. The County's ADU Loan Pilot Program ended in June 2022, after assisting one ADU. That ADU was built but the borrowers paid off the loan just before completion, thereby terminating the restrictions associated with the loan. In April 2022, the Board of Supervisors approved a new 3-year ADU Incentives Program to assist homeowners with technical assistance to evaluate and understand steps to develop an ADU on their properties, to replace the loan program, which turned out not to be the most effective way to assist development of a significant number of ADUs. The ADU Incentives Program will be launched in Spring of 2023.
Program 2.6: In order to encourage the development of single-room occupancy (or "permanent room housing") and to enable new units that are 500 square feet of habitable area or smaller to be developed, explore implementation of 1) a flexible residential zone (RF) district, and 2) a mixed use housing approach; for both of which the number of allowable units would be based on site standards rather than on units per acre.	Encourage and assist in the development of housing	2016-2019	New General Plan designations and zoning tools are a central part of the Sustainable Santa Cruz County Plan accepted by the County Board of Supervisors in 2014. Work to establish implementing policies and regulations, including higher density zoning approaches, is completed as a part of the Sustainability Policy and Regulatory Update approved by the Board of Supervisors in December 2022. An EIR was prepared, and public hearings occurred in mid to late 2022. See Program 1.1. Also, the Permanent Room Housing District established in 2020 recognizes housing units 500 sf or smaller that are converted from hotels, motels, and care facilities. In addition, as noted above, in the approved Sustainability Update the County amended its density bonus codes to conform to current state law and previously add a new Enhanced Density Bonus Program. While those amendments do not shift to a form-based code approach to permitting units in mixed-use projects, they do make it much more feasible to fit more, smaller multi-family dwelling units on commercial sites than was previously possible.
Program 2.7 In order to encourage a wider range of housing types and meet the need for various price points of housing and rents, create opportunities for mixed use through the creation of a mixed-use zone district or overlay zone, as well as the option of PUDs for mixed-	Encourage and assist in the development of housing	2016-2019	See Program 1.1, which amended regulations to increase opportunities for mixed-use residential units. In 2019, the 1500 Capitola Road project was entitled, including addition of the R-Combining zone to a portion of the property and a PUD to allow a 57-unit LIHTC project plus two community health clinics on a 4-parcel County-owned property in a commercial zone that allows mixed use.

use projects in commercial zoning districts.			
Program 2.8: Identify opportunities to assemble parcels for multi-family housing projects and consider General Plan and zoning amendments of properties to appropriate densities to facilitate multi-family housing production.	Encourage and assist in the development of housing	2018-2020	Ongoing as opportunities are identified. See Program 2.7 for example.
Program 2.9: Upon issuance of a building permit for an ADU, the County shall provide the property owner with a voluntary survey of rent level (VL, Low, Mod, Above Mod) and type of tenant (family member, tenant, vacant), anticipated for the ADU. The results of this survey will be used for informational monitoring of the ADU program and for targeting of future policies.	Encourage and assist in the development of housing	Begin in 2016	Countywide survey of barriers to ADU construction, including survey of tenants and rents charged, was implemented in 2017. A survey triggered upon issuance of a building permit for an ADU was initiated in 2019. Staff will continue to collect this voluntary survey and will analyze data prior to preparation of the next Housing Element.
Program 2.10 In order to assist private employers, non-profit organizations, and other non-governmental community stakeholders to advance ideas for creating affordable housing opportunities for their members and constituents, on or near the stakeholder's property, provide assistance and opportunities for these stakeholders to discuss proposals with County staff.	Encourage and assist in the development of housing	2016-2023	Ongoing. In late 2019 the County adopted code amendments amending County codes related to properties in the Public Facilities (PF) zoning district to make it more feasible to develop affordable and/or school employee rental housing within PF zones, and also updated its codes for farmworker housing to streamline that process and achieve consistency with current State law. These codes were approved by the Coastal Commission in February 2020 and are now in effect.
Program 2.11 Collaborate with the County Agriculture Commissioner and other interested parties to promote housing for agricultural employees by convening stakeholders, including property owners, lessee farmers, agricultural employees, agricultural product processors, and affordable housing developers, to discuss strategies for producing this type of housing.	Encourage and assist in the development of housing	2017-2020	In 2016/2017 the County continued strategic discussions with partner Counties on this issue. A farmworker Needs Assessment and Study was completed in Spring 2018. See also response to 2.10 above related to code updates for farmworker housing, which were completed in 2019. Housing staff continues to participate in a regional Farmworker Housing Committee for ongoing collaboration and updates on these regional efforts. In addition, Housing staff regularly provides information for those interested in adding farmworker housing on their properties and coordinates with staff in various County departments as needed on the development review process for farmworker housing projects.
Program 3.1: Continue to revise procedures and regulations to streamline	Remove unnecessary governmental constraints to housing	On-going	The County completed adoption of major revisions to the County's non-conforming ordinance, as well as a minor exceptions ordinance to simplify the process and thereby reduce time and expense for minor variations to zoning development standards (e.g.,

and clarify building and development permit processes and regulations, including affordable housing and housing that is made affordable by design, and particularly for accessory dwelling units, agricultural employee housing, permanent room or SRO housing, mixed use projects, and other types of housing that increase the diversity of the housing stock, by tiering development process levels and adjusting permitting burdens relative to development impacts.			encroachments of 15% or less into required setbacks). A Code Modernization including permit streamlining provisions is included within the Sustainability Amendments that was approved by the Board in 2022. The County completed amendments in 2018, 2020, and 2021 to encourage the development of ADUs. In 2019, the County created a Permanent Room Housing combining zone district recognizing conversion of former visitor accommodation and care facilities to small, affordable-by-design housing units. In December 2019, the Board of Supervisors approved an ordinance allowing for a variety of farmworker housing options, as well as workforce housing on school- and school district-owned properties and other public facility sites. In 2020, the COVID pandemic and CZU wildfire disasters required staff to focus on disaster response and delayed some policy updates, however the County set up a 1-stop permit center and adopted permit streamlining provisions to handle permit applications for wildfire rebuilding projects. Staff is now analyzing what can be learned from that process to further streamline the regular permitting process going forward. In 2020, Planning staff also developed guidance materials and applications related to streamlining approval of housing projects under SB 35, SB 330, and SB 9. In 2022 the Board adopted an ordinance providing regulations for "Tiny Homes on Wheels" to function as either a primary unit or an ADU.
Program 3.2: In order to meet the need for long-term rental housing options, revise land use regulations to encourage accessory dwelling units (ADUs), and tiny ADUs (dwelling units less than 250 square feet) through modifications to existing standards, and promote public awareness of those changes through the zoning counter and public brochures. In no case should the use of an ADU or tiny ADU as a short-term or vacation rental be permitted.	Remove unnecessary governmental constraints to housing	2016-2018	<p>In 2017, in accordance with Board direction, the Department hired an outside consultant to assist with the development of an ADU program that incentivizes and simplifies ADU construction. This work was completed in January 2018, and revised regulations were put into effect throughout the County along with an online toolkit including design and finance guidebooks, a fee calculator, property look-up, and extensive resources. This toolkit won an award from CSAC in 2019. There are also printed brochures and worksheets along with a poster at the front counter for the public.</p> <p>In 2020 the County's ADU regulations were again modified, to further streamline the ADU permit and development process and align with new state ADU laws. Additional updates to the County's ADU ordinance were adopted in 2021 to further align with the ADU Handbook released by HCD in Fall 2020.</p> <p>"Tiny ADUs" is not a term that is used at this time, but "Tiny Homes" can function as ADUs, and ADUs and Junior ADUs can be as small as 150 square feet. At the Board's direction, the Planning Department drafted an ordinance that allows "Tiny Homes on Wheels" (400 feet or smaller) to be used as primary dwellings or ADUs. The ordinance was approved by the Board in 2022.</p>
Program 3.3: Explore options to reduce the cost of infrastructure requirements for Accessory dwelling units through working with water and fire agencies.	Remove unnecessary governmental constraints to housing	Ongoing	The ability of water and sewer agencies to charge connection fees for conversion ADUs was eliminated by State law. Utility fees charged for new construction ADUs must be in proportion to the ADU size as determined by square footage or fixtures. The County has further reduced ADU fees by considering ADUs similarly to "additions" for many fee types, and in 2019 the Board of Supervisors eliminated all permit fees charged by the Planning Department for ADUs less than 640 square feet for a three-year pilot program. As of 2020, state law disallows impact fees for ADUs less than 750 square feet. Planning Department staff has communicated this change to all County departments and partner agencies.
Program 3.4: Work with local utility districts to ensure compliance with the state law requirement that all public sewer and water providers provide priority to and retain sufficient capacity for affordable housing projects.	Remove unnecessary governmental constraints to housing	On-going	On-going
Program 3.5: Create a Mixed-Use zoning district or overlay-zone as described	Remove unnecessary governmental constraints to housing	2016-2019	A revised PUD ordinance was adopted by the Board of Supervisors in 2009 and further revisions are proposed in code modification described above. The PUD ordinance was updated in 2020 to allow PUDs within the Public Facilities (PF) zoning district, as part of

in the Sustainable Santa Cruz County Plan, which may include an increase in the 50% residential maximum and apply to specific areas in major activity nodes or transportation corridors within the urban area. Also, promote Mixed-use development with additional incentives including expanding the Planned Unit Development (PUD) Ordinance to facilitate such uses, and considering reduced or shared parking requirements, as well as other updated site standards for mixed use projects. Explicitly clarify in the regulations the definition of net developable land and its use in density calculations for PUD and other non-standard residential development.			the workforce housing amendments to make it more feasible to develop affordable and/or school employee rental housing within PF zones. In addition, the County's Proposition 84 grant resulted in completion of the Sustainable Santa Cruz County Plan, which identifies a number of nodes and corridors for higher density and mixed mixed-use projects. In December 2022, the Board of Supervisors approved the Sustainability Update, which includes the establishment of a new urban high density "flex" residential (R-UHF) designation and simplifies and expands the range of the allowable density of urban residential land use designations and increases the residential percentage in mixed-use projects. See Program 1.1.
Program 3.6: Explore modifications to the existing Legalization Assistance Permit Program ("LAPP"), and add incentives to legalize existing unpermitted Accessory Dwelling Units and other existing residential structures.	Remove unnecessary governmental constraints to housing	2016-2017	The LAPP ran from 2014 through 2016 and results were analyzed to support improvements in a future program. The Safe Structures Program launched in 2018 and is providing a pathway for legalizing existing non-permitted structures (including ADUs) so they can be rented legally after basic safety and habitability is confirmed by a Building Inspector. The Building and Code Enforcement divisions of the Planning Department are continuing to coordinate to ensure that this program is successful.
Program 3.7: Continue work with AMBAG, RTC, and the County's cities to update the regional Metropolitan Transportation Plan/Sustainable Communities Strategy which will plan for more intensive housing development near existing job centers and near transportation corridors. The final SCS Update will be adopted in June of 2018.	Remove unnecessary governmental constraints to housing	On-going through 2018	The County of Santa Cruz, and each of the four cities within the County, participated with AMBAG in the creation of the regional Metropolitan Transportation Plan/Sustainable Communities Strategy. The County prepared and adopted an Economic Vitality Study and the Sustainability Update. All of these documents contain information about jobs-housing balance, projected job growth, and housing needed to accommodate future housing needs. See Program 1.1
Program 3.8: Cooperate with the County's cities and other public agencies in resolving regional infrastructure issues including transportation, water supply, and sewage treatment.	Remove unnecessary governmental constraints to housing	On-going	Ongoing. The County continues to coordinate with other cities on regional transportation issues by participating at the staff and elected levels in a variety of regular inter-regional meetings hosted by the Santa Cruz County Regional Transportation Commission (SCCRTC) and the Association of Monterey Bay Area Governments (AMBAG). The County is working with SCCRTC to develop a 32-mile rail-trail along the Santa Cruz Branch Rail Line running from Pajaro to Davenport and is working on additional upgrades to the Highway One corridor between Santa Cruz and Watsonville. In addition, several water districts and the new groundwater basin management agencies are working on strategies to address water supply shortages. In early 2019, the SCCRTC adopted a

			resolution accepting the Final Unified Corridor Investment Study (UCS) and Preferred Scenario which was developed during 2018. The UCS provides a rigorous analysis of how various groups of projects or scenarios advance the transportation goals of Santa Cruz County. They recently confirmed the decision to invest in electric passenger rail transit along the rail corridor through the Transit Corridors Alternatives Analysis. The County is also providing staffing for updates to local Groundwater Management Plans as required by the Sustainable Groundwater Management Act. The first of these plans was adopted for the Mid-County area in 2019; the Pajaro Valley area is also seeking approval of an existing plan to meet SGMA requirements. The third Plan for the Santa Margarita groundwater basin was adopted in 2021. The County's Department of Public Works continues to work on sewer improvements in the County's Live Oak area that would remove sewer moratoria and other constraints to urban development.
Program 3.9 Complete the nexus study, currently underway, to support implementation of a Countywide transportation impact mitigation fee program.	Remove unnecessary governmental constraints to housing	2016-2018	The County will be updating its transportation Impact Fee program to incorporate multimodal improvements for all users. These fees are assessed on new development to help fund transportation improvements. A comprehensive development impact fee study project is expected to begin in mid-2023. Additionally, the County has adopted a new vehicle miles traveled (VMT) threshold for identifying and mitigating transportation impacts under CEQA. The County has obtained grant funding to complete a vehicle miles traveled mitigation program study to provide options for project mitigation under CEQA and allow development to pay into a bank and fund off site mitigations for VMT impacts. A contract has been awarded for completion of the study which is expected to be completed in 2024.
Program 3.10 Continue to monitor and report on the development of the "R combining zone" sites with the Annual Growth Goal Report. If the maximum/minimum density becomes a constraint to development of these properties, initiate a program to develop solutions.	Remove unnecessary governmental constraints to housing	Ongoing, Annual	This General Plan annual report includes an update on status of each R-combining zone sites.
Program 3.11 Evaluate the Land Use Element of the General Plan for the need to include policies that support provision of infrastructure to disadvantaged communities, pursuant to SB 244.	Remove unnecessary governmental constraints to housing	2016-2018	This has occurred as part of the Sustainability Update in 2022. General Plan amendments associated with the Sustainability Update address disadvantaged communities and identify policies and implementation strategies aimed specifically at increase equity in the County.
Program 4.1: Preserve the continued availability of the affordable housing located in manufactured home parks, including retaining existing ordinances and regulatory programs regarding manufactured homes, including: mobile/manufactured home rent control, land use restrictions to limit conversion of mobile/manufactured home parks to other uses, and regulations that prevent	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	These regulatory features remain in place and are ongoing.

conversion intended to transfer value from coaches to property.			
Program 4.2: Retain the Condominium Conversion Ordinance (County Code Chapter 14.02) to protect rental housing stock.	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	Significant strengthening of the condominium regulations was accomplished with the certification by the Coastal Commission of Ordinance No. 4844 in 2007. The ordinance remains in place.
Program 4.3: Continue to implement programs intended to assist low income households to maintain quality units in mobile/manufactured home parks including the County's CalHome funded manufactured home replacement program and the Mobilehome Park Rehabilitation and Purchase Fund.	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	In prior years, the County focused its CalHome Owner Occupied Rehabilitation Grant on mobile home replacements. The CalHome Manufactured Home Replacement Program ended in December 2017. New loans are made available as previous loan repayments are received. Staff hopes to reinstate this program in 2023 as capacity allows.
Program 4.4: Work with interested parties in the community to maintain a central database that includes an inventory of affordable housing, affordable housing stock characteristics, and unit data for the County's affordable housing units, including inclusionary units and other affordable units built by non-profit and for-profit developers. Make such information available to interested parties who may need it for funding applications and program descriptions or for those seeking affordable housing. Track all demolition permits and include the types of housing stock demolished in the tracking database. Create a database of all rental housing types in the County classified by type, cost category (by \$500 increments), and vacancy rate.	Preserve and improve existing housing units and expand affordability within the existing housing stock	2016	An initial database was created in 2007. Maintenance of the database has been challenging with reduced Housing Section staffing due to loss of Redevelopment Agency resources. In 2018, Housing staff began working with Information Services staff to improve the housing database design and features, and complete data entry updates on an ongoing basis once the redesign and software updates are complete. Staff also began working with County's GIS services staff in 2018 to explore use of GIS to provide affordable housing resources data to the public and housing seekers in an easily accessible format (e.g., online story maps, etc.). Currently the internal GISWeb available to County staff includes layers indicating the locations of certain affordable housing projects and Measure J properties. Staff plans to continue development of the database as staffing resources allow and eventually provide these public-facing GIS layers, including for affordable rental projects. In addition, staff began tracking demolition permits in the 2020 Growth Goal Report and will continue to update demolition permit data and the type of housing demolished in the Growth Goal Report on an annual basis. A number of third-party databases are available online to direct the public to local subsidized and deed-restricted affordable housing complexes, including the local Housing Authority, HUD, and HCD websites, as well as sites such as: https://affordablehousingonline.com/housing-search/California/Santa-Cruz-County .
Program 4.5: Explore regulatory options for recognizing and legalizing hotels/motels that have over time been converted to permanent occupancy, including through	Preserve and improve existing housing units and expand affordability within the existing housing stock	2016-2018	See Program 2.6. In addition, the RF zone will be implemented with the Sustainability Policy and Regulatory Update.

implementation of a flexible residential zone district (RF) and/or overlay district in which the number of units is based on site standards rather than site area, and/or through creation of a Permanent Room Housing (PRH) Combining District that could be used to legalize permanent residential status of existing obsolete hotel/motel properties that are no longer in use as transient lodging or visitor accommodation facilities.			
Program 4.6: Continue to develop strategies to preserve all affordable units with expiring restrictions, including Measure J units and HUD-assisted affordable housing units.	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	The Housing Division actively maintains and takes steps to preserve units at risk of losing affordability restrictions due to foreclosure through its Affordable Housing Preservation Program. In 2019, one affordable homeownership unit was preserved by the County and sold to a new eligible homebuyer. No units were in danger of foreclosure in 2020 or 2021, in 2022 staff started working with the Public Administrator on a unit subject to foreclosure and the case is still underway. Housing created and funded a housing counseling program in early 2020 to help at-risk homeowners of County-assisted affordable homes, or other low-mod homeowners affected by COVID-related income losses, to obtain forbearances or similar options available to prevent foreclosures, the program ended in June 2021. In addition, Housing staff assisted several entities to preserve or extend restrictions on large affordable rental properties, including Woodland Apartments, Via Pacifica, and the Housing Authority. This program is ongoing.
Program 4.7: Continue to implement the Affordable Housing Preservation Program to preserve the affordability restrictions of individual affordable units faced with foreclosure by acquiring units prior to the trustee sale or other actions.	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	On-going. A number of units were purchased to preserve affordability restrictions, and many have now been re-sold to income qualified buyers. See also Program 4.6 above.
Program 4.8: Continue the County First Time Homebuyer Loan Program/ Mortgage Assistance Program and Resale Subsidy Program.	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	The Housing Division continues to implement First Time Home Buyer loan programs and service its existing loan portfolio. In prior years, HOME and CalHome funds were used to fund the program. The County applied for CalHome and HOME funds in 2019 and received a HOME award but not CalHome. However, the County has program income from prior loans made with these sources and continues to make loans as funding and staffing capacity allows.
Program 4.9: Continue to require that tenants' security deposits earn interest that is payable to the tenant on an annual basis or at the time tenancy ceases.	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	On-going.
Program 4.10: Maintain programs to assist lower income residents in securing housing entry costs (rental deposit and security costs) and short term rental assistance when the tenant faces eviction	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	The County continues to fund homeless prevention programs, including those that provide rental security deposits and short-term rental assistance, using the redevelopment re-use funds in the Low- and Moderate-Income Housing Asset Fund as well as State HOME grant funds. In addition, the County Continuum of Care (CoC), which is now administered by the Human Services Department, also funds similar programs, using a wide variety of funding sources.

due to lack of rent payment as a result of one-time cash-flow problems.			
Program 4.11: Maintain the existing requirements that owners of units deemed uninhabitable must pay relocation assistance to affected tenants.	Preserve and improve existing housing units and expand affordability within the existing housing stock	On-going	On-going
Program 4.12 Maintain the Vacation Rental Ordinance that limits conversion of existing housing units to vacation rentals in order to minimize the impact of such conversions on the stock of housing.	Preserve and improve existing housing units and expand affordability within the existing housing stock	Ongoing	A vacation rental ordinance, regulating the conversion of existing housing units to vacation rentals, was approved by the County Planning Commission, Board of Supervisors, and the Coastal Commission, and became effective in late 2011. For areas in Live Oak and Seacliff/Aptos, the ordinance includes limitations of the percentage of vacation rentals per block and within the overall areas, and vacation rental permits must be renewed every five years. The ordinance was amended in 2016 to incorporate a Davenport special area where conversions are limited in numbers. Additional amendments to vacation rental provisions of the County Code that further restrict and regulate vacation rentals were passed in 2020 and became effective in early 2021.
Program 5.1: Continue to collaborate with organizations pursuing "Housing First" goals for assistance to the homeless population.	Promote housing equal opportunity and production of special needs housing units	On-going	On-going.
<p>Program 5.2: Continue to seek all available sources of financing for affordable housing opportunities for the special needs households in the County. Specifically target the following known sources:</p> <ul style="list-style-type: none"> - Community Development Block Grants - Affordable Housing and Sustainable Communities program (AHSC) - Joe Serna, Jr. Farmworker Housing Grant Program - Mobile/manufactured home Park Resident - Ownership Program (MPROP) - Multifamily Housing Program (MHP) - CalHome Program - Home Investment Partnerships Program (HOME) - Other emerging financing tools 	Promote equal housing opportunity and production of special needs housing units	On-going	On-going. The County continues to seek multiple funding sources to finance affordable housing for special needs households. The County was awarded CDBG 2018, CDBG-CV 2/3 2020, and HOME 2019 funds. These grant funds were used to provide rental subsidy, security deposits, emergency hotel costs, and rehabilitation of multi-family housing. In addition, the County partnered for two Homekey grants that were awarded to provide 36 ELI units (Park Avenue) for special needs households experiencing homelessness or at risk of homelessness, and 21 ELI units (Vets Village) for veterans experiencing homelessness. The County provided assistance to another affordable housing developer to develop two 100% affordable housing projects that include 86 units for seniors, transition-aged youth, people with developmental disabilities, and large families. More recently, the County has assisted an affordable housing developer to build two more affordable housing projects, which are currently under construction. Bienestar Plaza, in Live Oak (57 units with 1 to 3 bedrooms), and Cienega Heights in Watsonville (80 units of 1 to 3 bedrooms), with 39 farmworker units, and 12 units for special needs/ELI households. These two projects include a total of 40 three-bedroom units suitable for larger households.
Program 5.3: Review policies that affect group homes, transitional housing, and the full range of licensed healthcare programs and facilities in	Promote housing equal opportunity and production of special needs housing units	Ongoing	This program was envisioned to move forward in cooperation with the County Health Services Agency. However, in early 2020, a new "Housing for Health" division was created in the Human Services Department to administer the CoC and lead other homeless prevention efforts. That Division is now taking the lead on this item, in coordination with Planning and Health Services Agency staff. A code update related to these types of uses had been planned as a policy work item in coordination with those

<p>order to:</p> <ul style="list-style-type: none"> - Determine long term sustainability of existing group home facilities for lower income individuals and consider providing incentives needed to sustain existing facilities and develop additional facilities. - Ensure that local requirements conform to State law regarding transitional housing and shelters, especially the number of beds triggering a discretionary permit. 			<p>departments, however due to multiple disasters impacting County workloads since 2020, including the pandemic, 2020 wildfires, and now the 2023 storm disaster, this policy update may have to be incorporated into the forthcoming Housing Element Update as an objective for the next cycle. The County's codes are already in conformance with SB 2, so the primary focus of this project will be related to code updates related to community care facilities and supportive housing projects. Some progress has been made on this front already through the County and CoC's recent Homekey projects, which have used several approaches to creating supportive housing, including adaptive reuse, new construction, renovation, modular housing, and hotel acquisition.</p>
<p>Program 5.4: Continue support of programs including annual jurisdictional funding of the Homeless Action Partnership activities and the Emergency Winter Shelter Program that address the needs of the homeless population, including: - Supporting and funding the Emergency Winter Shelter Program which provides shelter to homeless persons during the winter months; - Supporting efforts of the Countywide Continuum of Care Coordinating Group to address the housing and service needs of people who are homeless. These include emergency, transitional, permanent housing and rapid re-housing programs, as well as supportive services such as employment support, case management, and treatment for health, substance abuse, and mental illnesses; and - Identifying potential sites for and potential financial contributions to the construction of transitional facilities and potentially replacing the National Guard Armory in Santa Cruz County in accordance with the priorities established in ALL IN the Santa Cruz</p>	<p>Promote housing equal opportunity and production of special needs housing units</p>	<p>On-going, Annual</p>	<p>Formerly known as the Homeless Action Partnership (HAP), the Housing for Health Partnership (H4HP) serves as the federally designated Continuum of Care (CoC) for Santa Cruz County. It coordinates resources, programs and services focused on preventing and ending homelessness. Staff of the County of Santa Cruz Human Services Department's Housing for Health Division administer the H4HP. The H4HP is a collaboration of five localities in Santa Cruz County (the County and the cities of Santa Cruz, Watsonville, Capitola and Scotts Valley), along with housing and service providers, people with lived experience of homelessness and other stakeholders. HUD provides over \$4 million per year to the Santa Cruz County community through the work of the H4HP. The H4HP also plays a role in receiving and coordinating other resources from federal and state government agencies. The H4HP Policy Board is responsible for aligning and developing resources, stakeholders, and collective wisdom across the greater Santa Cruz community to promote public health and make significant impacts on the crisis of homelessness, benefitting all residents, particularly those without homes.</p>

County Strategic Plan to Address, Reduce, and Eventually End Homelessness.			
<p>Program 5.5: Explore options for increasing the supply of permanent, affordable, and accessible housing for people with disabilities, including:</p> <ul style="list-style-type: none"> - Encouraging housing projects sponsored by the County to maintain separate waiting lists for accessible units ensuring they are offered first to people who need units adapted for use by people with physical disabilities, and - Encouraging housing developers, including developers of affordable housing projects, to build units that meet the needs of physically disabled households. - Encourage developers to partnering with the Housing Action Partnership to explore potential funding to target rental subsidies to extremely low income households. 	Promote housing equal opportunity and production of special needs housing units	On-going	<p>On-going. The County has successfully incorporated MHSA funding into several affordable, multi-family rental housing projects. In addition, the two recent Habitat for Humanity projects (Los Esteros on Rodriguez St., and Rodeo Creek on Harper St.) each include one ADA/wheelchair accessible unit. Habitat coordinated with the County and other local partner agencies to implement a fair housing/marketing plan for these units that would prioritize households that need ADA units for purchase of these units.</p> <p>Regarding units for households with mental health needs, the new No Place Like Home (NPLH) state funding program has essentially replaced MHSA funding. NPLH funds granted to the County's Health Services Agency in recent years have been committed to several local rental housing projects, including the 1520 Capitola Road project in Live Oak. In addition, the recent Homekey awards to the County and CoC create several new housing projects which are 100% supportive housing and include some wheelchair accessible units. Please see details below under Program 5.13.</p>
<p>Program 5.6: Sustain and expand residential facilities and other affordable housing options available to foster children, youth who are aging-out of the foster care system and other children and youth in need of special services.</p>	Promote housing equal opportunity and production of special needs housing units	On-going	<p>Some years ago, the County funded an acquisition/rehab supportive housing project that includes units for former foster youth and was completed in 2015. The CoC and other County departments also partner with agencies that implement these types of projects and programs. The Planning Dept. provides technical assistance as needed when development permits are needed, or zoning questions arise. In addition, two Homekey projects currently in various stages of development will provide units reserved for Transition Aged Youth (TAY): 14 units at the Park Avenue Homekey project, and 20 beds at the Freedom House project in south county (pending Homekey application and award).</p>
<p>Program 5.7: Continue to support programs that address the needs of the local elderly populations through:</p> <ul style="list-style-type: none"> - Consider collaborating with a shared housing program for matching seniors for shared housing in Santa Cruz County; - Analyzing the zoning code and approving amendments as needed to accommodate all types of senior housing, including but not limited to independent living, assisted 	Promote housing equal opportunity and production of special needs housing units	On-going	<p>Most components of this program will be addressed by the policy update noted under Program 5.3. In addition, the County provided significant development financing for a 40-unit, affordable senior rental project (St. Stephens) which was completed in 2017. In April 2022, the Board of Supervisors approved a new 3-year pilot ADU Incentives Program. The program provides fee waivers for ADUs below a certain size and will provide education and outreach to homeowners in the local area. It will also provide in-depth technical assistance to a group of homeowners to help them evaluate ADU options, plan and develop an ADU on their property. The Program will launch in Spring of 2023. Staff expects many of the participating homeowners and/or future ADU residents will be seniors.</p>

<p>living, congregate care, group homes and other senior housing types.</p> <ul style="list-style-type: none"> - Exploring options for retaining existing housing for the elderly in nursing homes and options for expanding the inventory of nursing homes and assisted living; - Retaining and maintaining existing senior-only mobile/manufactured home parks in the County and facilitate improvements to ensure retention of senior-only status, and encourage maintenance of existing mobile/manufactured homes consistent with State and federal laws; and - Pursue implementation of Program 2.6 in order to encourage development of smaller units suitable for seniors. - Encourage developers to offer floor plans that allow seniors to "age in place" in their homes by incorporating universal access features and the opportunity for simplified conversion to universal access. Support policy and building code revisions that encourage universal access and options for aging in place. 			
<p>Program 5.8: Support programs that serve the housing needs of individuals with mental health issues, including: - Supporting proposals for a variety of housing opportunities for people with mental illnesses, consistent with the Olmstead Act that requires that people with psychiatric disabilities have the opportunity to live in the least restrictive level of care possible; - Continuing to support and facilitate the programs of the Human Services Department and the Health Services Agency</p>	<p>Promote housing equal opportunity and production of special needs housing units</p>	<p>On-going</p>	<p>Previously, Housing staff in the Planning Department supported Mental Health Services Act (MHSA) programs in coordination with County Health Services Agency Mental Health Division, by identifying projects that set aside units for MHSA-eligible residents. Four projects with MHSA units were completed in prior years. In recent years, NPLH funding has become the more reliable State funding stream for this purpose. In 2018 the County was awarded technical assistance and pursued both competitive and non-competitive No Place Like Home (NPLH) funding opportunities from the State. NPLH funding has now been committed to three projects as a result of those efforts, including one in the County, at 1520 Capitola Rd, and two in local cities. Construction of the Capitola Rd. project is underway. Now that the County has formed a Housing for Health (H4H) Division in the Human Services Department, which also administers the regional CoC, H4H, in coordination with Health Services Agency, has taken the lead in applying for and administering subsequent NPLH grants.</p>

to provide additional crisis treatment facilities, transitional housing, social rehabilitation programs, permanent supportive housing beds, and Skilled Nursing beds for people who are elderly and have a mental illness. This includes support of the CHAMP (Cal-Works Housing Assistance Move-in Program), and the HAP housing programs - Support policies and programs that increase opportunities for adding housing options for people living with mental illness/including funding opportunities through the HEARTH Act and the Mental Health Services Act Housing Program. - Pursue a code amendment to clarify that allowable residential use on a Public Facility or church site may include permanent supportive housing.			
Program 5.9: Finalize code updates to regulate agricultural employee housing as an agricultural use not subject to density standards, and provide a pathway for discretionary approval of projects that exceed the size granted by-right processing by State law.	Promote housing equal opportunity and production of special needs housing units	2016-2018	In 2018, Planning staff began drafting code amendments and policy updates intended to complete this Program 5.9 (agricultural employee housing). These amendments were approved by the Board in December 2019 and by the Coastal Commission in early 2020 and are now in effect. Staff has provided overviews of the new codes and requirements to many inquirers interested in these new options, and one 3-unit project has been approved to date. Others are in various stages of review or design.
Program 5.10: Encourage developers of affordable housing projects to pursue funding sources that would allow incorporating units that meet the needs of farmworker households by continuing to provide local matching funds for such projects that come forward with HCD funding through the Joe Serna Jr. Farmworker Housing Grant Program.	Promote housing equal opportunity and production of special needs housing units	On-going	On-going. MidPen Housing has been awarded Joe Serna Jr. funds for the Pippin II project, an 80-unit affordable development on one of the original R-Combining sites, on Atkinson Lane in Watsonville. Building permits are issued and this project is under construction.
Program 5.11: Consider supporting housing rehabilitation or new construction projects for	Promote housing equal opportunity and production of special needs housing units	2016-2023	Loss of Redevelopment Housing Funds limits the County's ability to further this goal, however the Housing Section has ongoing conversations with developers and owners of farmworker housing to provide technical assistance with predevelopment and/or financing questions. LMIHF Re-use funds and the new Affordable Housing Impact Fee revenues

farm worker or agricultural employee housing.			can be considered for larger affordable rental farmworker housing (ARFH) projects enabled by the recent code update. A Farmworker Needs Assessment and Study was completed in Spring 2018. In addition, Housing staff assisted one farmworker housing provider (Jardines del Valle) to obtain State CDBG funds for rehabilitation of 18 units. This rehabilitation work was completed in December 2021. It which included new roofs, outdoor lighting, and paint. See also Program 5.13 discussion of the Pippin II housing project.
<p>Program 5.12: Support services and programs that address the needs of the physically disabled population, regardless of income level:</p> <ul style="list-style-type: none"> - Continue to implement the California Building Code, which incorporates extensive accessibility requirements. - Work with the Commission on Disabilities to develop and maintain an inventory of accessible units in the community. - Promote visitability of all housing units in the County through public information and education targeting applicants for building permits. - Work with affordable housing providers to maintain separate waiting lists for accessible units to ensure they are occupied by households with physical disabilities. 	Promote housing equal opportunity and production of special needs housing units	Ongoing	These efforts are ongoing. Some of these efforts, including universal design and visitability, have been addressed at least to some extent in recent years through State building code updates and/or market-driven design decisions of private developers.
<p>Program 5.13 Prioritize the use of local affordable housing dollars for projects that include housing affordable to ELI households by leveraging multifamily affordable rental funds. Priority populations include farmworkers, elderly, disabled and homeless populations. Funding streams that can be leveraged with County funds include USDA multi-family programs, HUD Sections 811 and 202, Low Income Housing Tax Credits and Veterans Housing and Homelessness Prevention Program.</p>	Promote housing equal opportunity and production of special needs housing units	2016-2023	Ongoing. Several projects addressing this program are currently being developed: The Pippin II project currently under construction in south county includes 80 new affordable units, of which 39 are for farmworkers, and 10 are for ELI households. The 1520 Capitola Road project in mid-county is nearly complete, and includes 57 units, of which a number are reserved for ELI and special needs populations, including several NPLH-assisted units. Both of these projects received LIHTC funding awards. In addition, two new County projects received Homekey assistance in 2022, including a 36-unit, 100% ELI new construction project for homeless and at-risk veterans, transition age youth, and families with children, at 2838 Park Ave. in Soquel, and a 21-unit ELI renovation, conversion and modular project for homeless and at-risk Veterans and other special needs clients in Ben Lomond. The Soquel project is under construction and the Ben Lomond project is expected to start construction soon.
Program 6.1: Continue membership in the Joint	Promote energy efficiency in existing and new residential structures	On-going	The County has enrolled in two additional PACE programs operated by Ygrene and Open Pace to provide more choice and competition in the marketplace.

Power Authorities that make two Property Assessed Clean Energy (PACE) programs, California First and HERO, available in Santa Cruz County.			
Program 6.2: Continue to implement energy efficiency standards in the CalGreen Building Code.	Promote energy efficiency in existing and new residential structures	Ongoing	A Green Building Program was adopted by the Board of Supervisors in 2009, which now has been replaced by adoption of the most current version of the California Building Standards Code and its "CalGreen" provisions.
Program 6.3: Continue to explore strategies for local energy production such as Community Choice Aggregation and implement the conservation strategies in the Climate Action Strategy	Promote energy efficiency in existing and new residential structures	Ongoing	The project to establish a Community Choice Energy program in the tri-county area was successfully launched in Spring 2018 and has expanded to include addition jurisdiction in the central coast of California. The County has adopted and updated and revised Climate Action and Adaptation Plan (CAAP) in 2022 that includes provision for equitably promoting energy efficiency in existing and new residential structures.
Program 6.4: Prioritize implementation of an expedited permitting process that encourages and enables solar/photovoltaic facilities for residential and commercial properties.	Promote energy efficiency in existing and new residential structures	2016	Provisions for expediting permitting of solar facilities were incorporated in the building code in 2015. Additional provision for expediting permitting of electric vehicle charging station infrastructure have also been incorporated in the building code. The County has adopted the 2022 California Building Standards Code with local amendments including amendments that incorporate the most up to date provisions of State law regarding expedited permit processing for rooftop solar and EV charging stations.

Jurisdiction	Santa Cruz County - Unincorporated		NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.	Note: "+" indicates an optional field Cells in grey contain auto-calculation formulas
Reporting Period	2023	(Jan. 1 - Dec. 31)		
Planning Period	5th Cycle	12/31/2015 - 12/31/2023		

**ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation**

Table G						
Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of						
Project Identifier						
1				2	3	4
APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Realistic Capacity Identified in the Housing Element	Entity to whom the site transferred	Intended Use for Site
Summary Row: Start Data Entry Below						
026-741-25	1520 Capitola Rd Santa Cruz 95062	MP Live Oak Associates, L.P.	APP-201034	27	MP Live Oak Associates, L.P.	Multi-family dwelling consisting of 57 units deed restricted affordable to low and very low income households

Jurisdiction	Santa Cruz County - Unincorporated	NOTE: This table must contain an inventory of ALL surplus/excess lands the reporting jurisdiction owns	Note: "+" indicates an optional field
Reporting Period	2023	(Jan. 1 - Dec. 31)	Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

For Santa Cruz County jurisdictions, please format the APN's as follows: 999-999-99-9999

Table H						
Locally Owned Surplus Sites						
Parcel Identifier				Designation	Size	Notes
1	2	3	4	5	6	7
APN	Street Address/Intersection	Existing Use	Number of Units	Surplus Designation	Parcel Size (in acres)	Notes
Summary Row: Start Data Entry Below						
026-261-16, 026-261-13, 026-261-17	855-905 7th Ave., Santa Cruz, CA 95062	Vacant	1	Surplus Land	8.3	2 large parcels are vacant, smallest parcel has 1 SFD; LRPMP online

Jurisdiction	Santa Cruz County - Unincorporated
Reporting Year	2023 (Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Local Early Action Planning (LEAP) Reporting
 (CCR Title 25 §6202)

Please update the status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.

Total Award Amount	\$500,000.00	<i>Total award amount is auto-populated based on amounts entered in rows 15-26.</i>			
Task	\$ Amount Awarded	\$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes
1- Administrative costs	\$23,500.00	\$14,372.19	In Progress		
2- Built Environment Element	\$25,400.00	\$25,365.68	In Progress		
3- Access + Mobility Element	\$18,800.00	\$9,590.21	In Progress		
4- Residential and Mixed-Use Standards	\$36,800.00	\$36,787.22	In Progress		
5- Countywide Design Guidelines	\$21,900.00	\$21,792.41	In Progress		
6- Permit Process Code Modernization	\$19,200.00	\$19,179.78	In Progress		
7- ADU Ordinance Update	\$18,900.00	\$18,869.00	Completed		
8- Res. Growth Forecasting/Opportunity Sites	\$14,900.00	\$4,231.98	Completed		
9a- Hwy 1 Over-Crossing Study	\$158,884.00	\$149,600.69	In Progress		
9b- Active Transportation Plan	\$10,616.00	\$7,870.16	Completed		
10- Supportive Housing Code Updates	\$21,200.00	\$3,190.64	In Progress		
11- Public outreach/website 12- Public Hearings 13- Board adoption 14- Coastal Coordination	\$129,900.00	\$128,604.55	In Progress		

Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)

Completed Entitlement Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	4
Above Moderate		4
Total Units		8
Building Permits Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	4
	Non-Deed Restricted	61
Moderate	Deed Restricted	4
	Non-Deed Restricted	18
Above Moderate		55
Total Units		142
Certificate of Occupancy Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	38
	Non-Deed Restricted	0
Low	Deed Restricted	21
	Non-Deed Restricted	25
Moderate	Deed Restricted	2
	Non-Deed Restricted	20
Above Moderate		58
Total Units		164

COUNTY OF SANTA CRUZ
FISCAL YEAR 2022-2023
HOUSING SUCCESSOR ANNUAL REPORT ON ITS
LOW- AND MODERATE-INCOME HOUSING ASSET FUND (LMIHAF)
PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)

This Housing Successor Annual Report (Report) on the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f) and is dated as of March 26, 2024. This Report sets forth certain details of the COUNTY OF SANTA CRUZ HOUSING SUCCESSOR AGENCY (Housing Successor) activities during Fiscal Year 2022-2023 (Fiscal Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by County of Santa Cruz staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund COUNTY OF SANTA CRUZ for Fiscal Year 2022-2023 (Fiscal Year) as prepared by BROWN ARMSTRONG (Audit), which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into sections I through XI., inclusive, pursuant to Section 34176.1(f) of the Dissolution Law:

1. **Amount the County received from loans** pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.
2. **Amount Deposited into LMIHAF** This section provides the total amount of funds deposited in to the LMIHAF during the Fiscal Year, distinguishing between amounts deposited pursuant to subparagraphs (B) and (C) of paragraph (3) of subdivision (b) of Section 34191.4, amounts deposited for other items listed on the Recognized obligation Payment Schedule (ROPS) and other amounts deposited.
3. **Ending Balance of LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for item listed on the ROPS must be distinguished from the other amounts deposited.
4. **Description of Expenditures from LMIHAF:** This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.
5. **Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

6. **Description of Transfers:** This section describes transfers, if any, to another housing successor agency made in previous Fiscal Year(s) including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfer must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.
7. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
8. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 or interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.
9. **Description of Outstanding Obligations under Section 33413:** This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 had remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012, along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plans to meet unmet obligations, if any.
10. **Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for the five-year period, with the time period beginning January 1, 2014; and whether the statutory thresholds have been met. Reporting on the Income Test was not required until 2019.
11. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former Redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former Redevelopment Agency and its host jurisdiction within the same time period. For this Report, the ten-year period reviewed is January 1, 2013, to January 1, 2023
12. **Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus and the Housing successor's plan for eliminating the excess surplus.
13. **Inventory of Homeownership Units Assisted:** An inventory of homeownership units assisted by the former redevelopment agency or the housing successor that

are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of moneys from the Low- and Moderate-Income Housing Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include (A) the number of those units; (B) the number of units lost to the portfolio after February 1, 2012; (C) any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the Low and Moderate Income Housing Fund; and (D) whether the housing successor has contracted with any outside entity for the management of the units.

This Report is to be provided to the Housing Successor's governing body and the State of California by April 1 of each year. In addition, this Report and the former Santa Cruz County Redevelopment Agency's pre-dissolution Implementation Plans are made available to the public on the County's website:

<http://www.sccoplanning.com/PlanningHome/Housing/OtherResources/HousingSuccessorAgencyReports.aspx>

1. AMOUNT THE COUNTY RECEIVED FROM LOANS PURSUANT TO SUBPARAGRAPH (A) OF PARAGRAPH (3) OF SUBDIVISION (b) OF SECTION 34191.4.

The County has not received any loans or loan funds pursuant to this Section.

2. AMOUNT DEPOSITED INTO LMIHAF

A total of **\$1,068,948** was deposited into the LMIHAF during the Fiscal Year. Of the total funds deposited into the LMIHAF, a total of **\$0** was held for items listed on the ROPS.

3. ENDING BALANCE OF LMIHAF

At the close of the Fiscal Year, the ending balance in the LMIHAF was **\$794,435**, of which **\$0** was held for items listed on the ROPS.

4. DESCRIPTION OF EXPENDITURES FROM LMIHAF

The following table provides a description of expenditures from the LMIHAF by category. For Housing Development expenditures, subtotals are provided for each income category of assisted units.

Expenditures	Fiscal Year 2022-23
Monitoring & Administration	\$359,531.58
Homeless Prevention and Rapid Rehousing Services	\$218,754.00
Housing Development Expenditures <i>Subtotals below</i>	\$720,000
• Low Income Units	\$0 (0%)
• Very Low Income Units	\$ (0%)
• Extremely Low Income Units	\$720,000 (100%)
Total LMIHAF Expenditures in Fiscal Year	\$1,298,285.58

5. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

As of End of Fiscal Year 2022-23	
Statutory Value of Real Property Owned by Housing Successor	\$ 1,235,527
Value of Loans and Grants Receivable	\$75,712,933
Total Value of Housing Successor Assets	\$76,948,520

6. DESCRIPTION OF TRANSFERS

N/A. The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the Fiscal Year.

7. PROJECT DESCRIPTIONS

N/A. The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

8. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report presents a status update on the project related to such real property.

With respect to interests in real property acquired by the former redevelopment agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset.

The following table provides a status update on the real property housing assets acquired prior to February 1, 2012, and compliance with the five-year deadline to initiate development:

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
522 Capitola Rd. Ext., Santa Cruz, CA 95062	10/18/2006	7/3/2017	Leased for affordable housing purpose
111 Atherton Loop, Aptos, CA 95003	04/14/2009	7/3/2017	Leased for affordable housing purpose
755 14 th Ave. #108, Santa Cruz, CA 95062	01/20/2011	7/3/2017	Rented to qualified household for affordable rent
1715 Westhaven Ct., #C, Santa Cruz, CA 95062	05/06/2011	7/3/2017	Rented to qualified household for affordable rent
2340 Harper St., Santa Cruz, CA 95062	1/17/97 (Housing Successor Asset in 1/8/2014)	1/8/2019	Sold to Habitat for Humanity on March 13, 2020, pursuant to 2018 Option and 2019 Disposition Agreement.

9. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing: According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(a) replacement housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the County's website at:

<http://sccounty01.co.santa-cruz.ca.us/red/2010-2014%20IP%20FINAL2.pdf>.

Inclusionary/Production Housing. According to the 2010-2014 Implementation Plan for the former redevelopment agency, no Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor. The former redevelopment agency's Implementation Plans are posted on the County's website at:

<http://sccounty01.co.santa-cruz.ca.us/red/reportsandstudies.html>.

10. EXTREMELY LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. If the Housing Successor fails to comply with the Extremely Low Income (ELI) requirement in any five-year report period, then it must spend at least 50% of the funds remaining in the LMIHAF in each subsequent fiscal year (following such a report) on ELI households (those with incomes at or below 30% of AMI) until the Housing Successor demonstrates compliance with this requirement. This information was required to be reported beginning in 2019 for the first 5-year period (FY 2014/15 through FY 2018/2019).

Extremely Low Income Expenditures Test FY 2018/19 through FY 2022/23 (July 1, 2018, through June 30, 2023)	
LMIHAF Spent on Extremely Low Income Housing Amount Spent on ELI Units = A	\$3,293,842
Total LMIHAF Spent in 5-Year Period * Total LMIHAF Spent = B	\$9,661,914
Extremely Low Income Test A / B = Percent of LMIHAF Spent on ELI Units in 5-year period	34%

** Total does not include Monitoring/Administration and Homeless Prevention/Rapid Rehousing Expenditures*

11. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the County within the previous 10 years in relation to the

aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or the County within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or County assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10-year period of 2014 through 2023.

Senior Housing Test <i>2014-2023 Calendar Years</i>	Number of Rental Units
A. Assisted Rental Units Restricted to Seniors	40
B. Total Assisted Rental Units	291
C. Percent of Total Assisted Rental Units Restricted to Occupancy by Seniors (A / B = C)	13.7%

12. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years, whichever is greater.

The following provides the Excess Surplus test for the preceding four Fiscal Years:

	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Beginning Balance	\$9,328,018	\$6,039,862	\$1,340,407	\$1,023,773
Add: Deposits	\$880,002	\$1,578,681	\$881,744	\$1,068,948
(Less) Expenditures	(\$4,168,158)	(\$6,278,136)	(\$1,198,378)	(\$1,298,286)
Ending Balance	\$6,039,862	\$1,340,407	\$1,023,773	\$794,435

The LMIHAF does not have an Excess Surplus, because the ending balance of \$794,435 is less than the total deposits for the prior four Fiscal Years (\$4,409,374). The expenditures and ending balance figures above have been corrected to include year-end accruals, which were inadvertently left out of the total expenditures shown in prior year's reports.

Additional Questions pursuant to AB 1793 of the 2013-14 Legislative session, which amended H&S § 34176.1(f):

13. INVENTORY OF HOMEOWNERSHIP UNITS ASSISTED

Inventory of homeownership units assisted by the former redevelopment agency or the housing successor that are subject to covenants or restrictions or to an adopted program that protects the former redevelopment agency's investment of monies from the Low- and Moderate-Income Housing Asset fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:

- A. Number of assisted units subject to the above requirements;
- B. Number of assisted units lost to the portfolio during the Fiscal Year, and reason for those losses;
- C. Any funds returned to the housing successor as part of an adopted program that protects the former redevelopment agency's investment of moneys from the LMIHF; and
- D. Whether the housing successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

INVENTORY OF HOMEOWNERSHIP UNITS ASSISTED	
A. Number of Homeownership Units Assisted with LMIHAF in Inventory as of July 1, 2023	296
B. Units lost to the portfolio in FY 2022/23, and reason for those losses: <i>End of Term of Restrictions (for real property homes) and Loan Payment in Full (for assisted mobile homes)</i>	5
C. Any funds returned to the Housing Successor as part of an adopted program that protects the former Redevelopment Agency's investment of moneys from the LMIHF	\$396,065
D. The County has not contracted with any outside entity to manage these units. The County Planning Department, Housing Division manages the Assisted Homeownership Units Portfolio.	No