



County of Santa Cruz

Department of Community Development and Infrastructure

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February 26, 2025

AGENDA DATE: February 26, 2025

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: PUBLIC HEARING TO CONSIDER THE 2024 GENERAL PLAN ANNUAL REPORT

Recommended Action(s):

1. Conduct a public hearing on the 2024 General Plan Annual Report; and
2. Recommend that the Board of Supervisors hold a public hearing and direct staff to file the required Annual Progress Report with the State Department of Housing and Community Development.

Executive Summary

The attached General Plan Annual Report (Exhibit A) summarizes General Plan-related activity that occurred in 2024 and includes pending and anticipated future General Plan-related actions. The report also includes the Housing Element Annual Progress Report (APR) (Exhibit B), which is required to be filed with the state annually by April 1st.

Background

State law and County regulations require preparation of an annual report regarding progress toward the implementation of the General Plan. Public hearings and review of this report by the Planning Commission and the Board of Supervisors are required by County regulations. State law also requires that this report be submitted to the Governor's Office of Land Use and Climate Innovation (LCI), formerly known as the State Office of Planning and Research (OPR), and the Department of Housing and Community Development (HCD).

Analysis

Several topics discussed in the 2024 General Plan Annual Report are required areas of review, including approved General Plan amendments, progress in meeting regional fair share of housing needs, park site acquisition, and the Urban Services Line annual review. In addition, various housing statistics are also included in the report and presented in the Housing Element APR tables required by HCD (see Exhibit B).

At the December 10, 2024 public hearing on the rezoning of parcels in “Batch A” of the Housing Element rezoning program, the Board of Supervisors directed staff to provide information on how the County can meet its affordable housing needs for lower-income households along with the 2024 APR to the Board before April 1, 2025. Much of the recently adopted 2023 Housing Element focuses on programs and policies designed specifically to assist and facilitate development of affordable housing for lower-income households. Progress on completing these programs is required to be reported to the Board on an annual basis as part of the General Plan/Housing Element APR. An additional document highlighting those portions of the Housing Element addressing lower-income housing needs, and related County efforts has been included with this year’s APR report (attached as Exhibit C) to fulfill the Board’s additional direction from December 10, 2024.

Environmental Review

The 2024 General Plan Annual Report is a reporting document required per Government Code Section 65400 and Santa Cruz County Code section 18.50.120 and is not intended to create or alter policy, nor will it result in direct or indirect physical change in the environment. The content is provided for informational purposes only and is not a project subject to the requirements of the California Environmental Quality Act (CEQA) per CEQA Guidelines Article 20 Definitions, Section 15378 Project.

Submitted by:

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Reviewed by:

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Exhibits:

A) 2024 General Plan Annual Report

B) Housing Element Annual Progress Report Tables

C) Plans Supporting Lower-Income Housing

2024 General Plan Annual Report

for
Santa Cruz County - Unincorporated
Reporting Calendar Year 2024

Prepared by:
County of Santa Cruz
Community Development & Infrastructure Department



February 14, 2025

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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 Governor's Office of Land Use and Climate Innovation (LCI), formerly known as 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 LCI and the date of the last revision of the General Plan.

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

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

(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 (SB) 35 (2019)/SB 423 (2023) which provides streamlined review and approval for eligible affordable housing projects (*APR Table A2*).

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

(K) The progress of the 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 consults with local tribes before amending its General Plan, as required by state law.

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

(M) Information on each application submitted pursuant to Assembly Bill 2055 (2019) which provides a pathway for multifamily projects on commercial zoned land (*APR Table A2*).

(N) A list of all historic designations listed on the National Register of Historic Places, the California Register of Historic Resources, or a local register of historic places by the County in the past year, and the status and number of units for any housing development projects proposed for the new historic designations, including completed entitlements and building permits issued.

This law went into effect on January 1, 2025. Any activity under this law will be reported in the 2025 General Plan Annual Report.

County Code

Santa Cruz County Code (SCCC) Section 18.50.120 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. This information is included in the Annual Growth Goal Report as well as this report.

2024 General Plan Amendments

Several elements of the General Plan were updated in 2022 to incorporate sustainability principles that promote efficient land use, transportation options, and housing opportunities, an effort known as the Sustainability Policy and Regulatory Update (Sustainability Update). The project 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. Environmental review and tribal consultation for the project was completed pursuant to state law, and in December 2022, the Board of Supervisors approved project and certified the Environmental Impact Report (EIR). The Coastal Commission formally certified the Sustainability Update Local Coastal Program (LCP) Amendments on March 15, 2024, and the Sustainability Update is now fully in effect.

In 2022, the County began to update the Housing Element of the General Plan, as required by HCD pursuant to state General Plan law. This project was known as the 6th Cycle Housing Element Update and required the County to plan to accommodate an assigned share of the Regional Housing Needs Allocation (RHNA) assigned by the State to our region for the next eight years. The assigned share was allocated to unincorporated Santa Cruz County through a process conducted by the Association of Monterey Bay Area Governments (AMBAG). The 6th Cycle Update is significant in that the County's

RHNA of 4,634 units is a substantial increase from past allocations, and approximately three and a half times the 1,413 units required for the previous 5th Cycle Housing Element, although it is similar to the size of the County's allocation in the early 2000s. Tribal consultation for this General Plan amendment was completed in 2023 pursuant to state law, and environmental review consisted of an addendum to the Sustainability Update EIR. The Santa Cruz County Board of Supervisors adopted the 2023 Housing Element on November 14, 2023, and the Housing Element was certified by HCD on April 12, 2024.

The 2023 Housing Element identified that the total number of housing units that could be developed under current zoning in unincorporated Santa Cruz County fell short of the required RHNA. To address this shortfall, parcels for rezoning and land use designation changes were identified in the Housing Element to increase housing unit capacity in the unincorporated area. In mid-2024, the County began the Housing Element Rezoning Program to implement these zoning and land use map amendments, per the Housing Element Housing Sites Inventory and related programs, in order to meet state law requirements. To make the Rezoning Program more manageable and help focus discussion, the list of parcels proposed for rezoning was split into two groups or "batches". Batch A included a total of 27 parcels, all of which were rezoned, and 25 of which were also the subject of General Plan map amendments. Map amendments included in Batch A of the Rezone Program were reviewed by the Planning Commission in Fall 2024 and adopted by the Board in December 2024.

General Plan Amendments Pending Review

Following the approval of Housing Element Rezone Program Batch A in December 2024, the required materials for the rezoning of Batch B will be presented at public hearings before the Planning Commission and Board of Supervisors in Spring 2025. The 48 parcels in Batch B proposed for zoning and land use designation map amendments are spread throughout the urban areas of unincorporated Santa Cruz County, within the Urban Service Line (USL). Seven of these parcels are located within the Coastal Zone.

In 2024, work continued on updates 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 an 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, 2024. The study was ongoing in 2024 along with public outreach. Processing of the associated General Plan/LCP amendments is expected to occur in late 2025 or early 2026.

Policy staff is currently working on a variety of General Plan amendments to maintain an effective, current General Plan. These amendments have been combined into one project, known as the 2025 Housekeeping Amendments project. These Housekeeping Amendments aim to address issues that were not included in the last major update of the General Plan (the Sustainability Update project) as well as any inconsistencies that have arisen following implementation of the Sustainability Update. Staff will bring the

2025 Housekeeping Amendments project to public hearings before the Planning Commission and Board of Supervisors in spring 2025. Additional amendments will follow annually.

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. However, the project to close the Buena Vista Landfill and 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.

In December 2024, the Community Development and Infrastructure Department (CDI) received a discretionary permit application for the development of a 14-acre 800-megawatt hour (MWh) utility-scale Battery Energy Storage Systems (BESS) facility at 90 Minto Road, a parcel in the unincorporated area of Watsonville in Santa Cruz County with an agricultural land classification. This project will require a General Plan amendment, an ordinance amending the County Code, and evaluation for compliance with the California Environmental Quality Act (CEQA). The ordinance would amend the County Code by creating a Combining District for location and development standards necessary to accommodate the proposed and future BESSs. The Combining District would be applicable to all properties adjacent to (and across a right-a-way from) one of the three existing electricity transmission centers (substations) located in the unincorporated county. All potentially eligible parcels would have to be adjacent to or in near proximity to an existing transmission substation and outside the Coastal Zone. Additionally, on properties zoned Commercial Agricultural, impacts to agricultural lands would be required to be offset by an agricultural conservation easement for the remainder of the parcel, and additional acreage if necessary for a 1:1 ratio.

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, or a site with a “D” designation, 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 2024. One development permit application for minor land division in the Live Oak area was reviewed and Department staff recommended against acquisition based on the availability of other neighborhood parks in the area and the lack of available funds for additional park acquisition. Department staff is working with the applicant to grant the County a trail easement along the adjacent riparian corridor.

In 2024, there was one General Plan consistency report for summary vacation of street easement for Beechwood Road, which was never accepted by the County as a county-

maintained road, never constructed, and has remained a paper street only since it was first created by a subdivision approved in 1909. Vacating a portion of the road was required to allow the property owner to rebuild a home that was destroyed in the CZU Lightening Complete fires of August 2020. Summary vacation of the undeveloped street right-of-way was determined to be consistent with the General Plan.

The County Administrative Office (CAO), in conjunction with CDI and other departments, develops 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 2024 on several projects involving improvements to public access to the coast. County Parks applied for and was awarded a Coastal Conservancy grant to study nature-based solutions to sea level rise adaptation where East Cliff Drive crosses the three mid-County lagoons (Moran, Corcoran, and Twin Lakes). One of the goals of the study is to enhance coastal access. This work is an extension of the Moran Lake Restoration and Public Access Plan. Final design was completed for the installation of a new permanent accessible restroom facility at Hidden Beach County Park. County Parks also received a Coastal Conservancy grant to develop an environmental education center and low-cost overnight accommodations at Greyhound Rock County Park. The goal of this project is to increase coastal access and awareness, particularly for youth and other disadvantaged communities that lack coastal access. County Parks worked with Caltrans and other partner agency to advance preliminary design for the Scott Creek Coastal Resilience project, which will replace the existing Highway 1 bridge over Scott Creek with a design that allows for improved habitat for Coho Salmon and coastal access. The Board of Supervisors accepted the North Coast Facilities and Management Plan (NCFMP) in April, which provides an analysis of existing conditions, proposes a list of priority projects to address ongoing issues on the North Coast, and help identify grant and other funding sources for the projects. County Parks also completed repairs to all coastal access locations that were damaged in the January 2023 and December 2023 large wave events. County Parks also continued to manage the Coastal Encroachment Program, removing encroachments that conflict with public coastal access in the County's right-of-way.

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 2024 to amend the Urban Services Line.

Recommendation

General Plan amendments to maintain an effective, up-to-date General Plan have been initiated with the 2025 Housekeeping Amendments project to clean up issues that were

not included in the last major update of the General Plan, the Sustainability Update project, and address inconsistencies that have arisen following implementation of the Sustainability Update.

The Planning Policy Division's 2025 major priorities include continuing the rezone process for parcels identified in the Housing Element Sites Inventory, making significant progress on the 2025 Housekeeping Amendments, adopting an updated ADU Ordinance, as well as continuing work on select updates to the Safety Element, primarily involving coastal hazards policies.

Density Bonus Applications

California State Density Bonus Law (Gov. Code Sections 65915 - 65918) offers development incentives to certain qualifying projects that include qualifying affordable housing units on site, and/or dedicate land for affordable housing, and/or include childcare facilities. Table 4 at the end of this report shows all housing development applications for projects of five or more new units received by the County's Unified Permit Center (UPC) in 2024, all of which requested a density bonus. Table 4 includes both ministerial (streamlined) applications filed in 2024, and discretionary applications that were filed and deemed complete in 2024. Several of those applications were subsequently withdrawn. Further details on these projects can be found in Table 4 below and in Table A of the Housing Element APR.

Table 5, also at the end of this report, lists all active major projects that showed any significant development activity in 2024, including development review applications, building permit applications, construction activity and/or completion of construction. Many of these projects were approved and/or permitted in prior calendar years, so not all of them are included in the 2024 APR, however this table is provided to give the public and approving bodies a summary view of significant development activity in 2024, with a focus on density bonus and R-Combining District projects, as has been requested in prior years.

For the purposes of Table 5, major projects are defined as all projects proposing 5 or more net new units. Density bonus projects, projects in the Regional Housing Need Combining District (R-Combining District), and which projects are pursuing any kind of streamlined (ministerial) permitting pathway, pursuant to state law and/or County code options are also shown on Table 5. It also shows which projects are 100% affordable, subsidized projects, and the types of subsidies obtained or sought by the applicant. Table 5 shows a total of 1,238 units proposed and/or under development in 21 projects. Of these, 700, or 57% of the total, are deed-restricted affordable units. Of the 700 affordable units, 30 are moderate-income units, and the remaining 670 (54% of all the units in these projects) are lower-income units, ranging from Extremely Low to Low Income affordability. When looking just at those projects under construction in 2024, a total of 173 units were under construction, of which all but 30 were affordable units. Of those 143 affordable units, all but 5 were lower income, including approximately 70 extremely low-income units.

Also shown on Table 5 are two R-combining sites with activity in 2024, including the Pippin II project, an 80-unit lower-income affordable project in unincorporated Watsonville, now known as Cienega Heights, which was completed in December 2024 and is now fully occupied. The other R-combining site that was active in 2024 was the “Nigh” site at 5940 Soquel Avenue, for which a preliminary application (DRG) was filed in 2024, based on the PUD approved for that site in 2008.

Accessory Dwelling Unit Annual Report

As a condition of the Coastal Commission’s certification of the amendments to the County’s Accessory Dwelling Unit (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. This analysis is included as part of the annual Growth Report, but in recent years has been included in the General Plan Annual Report as well.

The County first adopted a “second unit” (ADU) ordinance in 1983 and was subsequently revised in 1997, 2004, 2008, 2009, 2018, 2020, and 2021. Revisions to the ordinance were made to ensure compliance with any newly enacted state law, lift affordability restrictions, and remove barriers that discouraged development of new ADUs. Key updates to comply with recent state law changes include allowing ADUs anywhere single- or multifamily residential land use is allowed; shortening the ADU building permit review period to 60 days; establishing regulations for Junior ADUs; and easing development standards such as unit size, setbacks and parking. Additional updates are currently underway to ensure County Code is consistent with recent changes to state law and are expected to be completed mid-year in 2025.

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 ADU website. The County is currently operating a technical assistance program to aid property owners with ADU project planning, design, and construction to replace the low-performing ADU Forgivable Loan Program. Several ADUs have been constructed as a part of this program.

In order to further reduce barriers to ADU production, the CDI partnered with a design consultant to create three pre-approved sets of ADU architectural plans that are available to applicants on the County’s ADU website free of charge (<https://cdi.santacruzcountyca.gov/Planning/Housing/ADU.aspx>). There are three sizes, each with three design options. Also, designers and pre-fabrication manufacturers have the option to obtain pre-approval for ADU designs that they intend to use for multiple projects.

Additionally, in December 2022, an ordinance regulating Tiny Homes on Wheels (THOW) was adopted, which established a permit process for THOW to provide needed housing for County residents and further the housing goals of the Housing Element of the County General Plan. The ordinance allows THOW to function as a single-family dwelling as the primary unit on a parcel or as an ADU. In 2024, one tiny home on wheels was issued a building permit and included in this year's Housing Element APR as an ADU permit type.

Updates to the County's ADU ordinance and incentive programs are intended to make ADUs more feasible and appealing to County homeowners, and as Table 1 below indicates, permitting of ADUs has steadily increased in recent years, particularly since 2021. In 2024, 103 ADU permits were issued, which is up from the total of 85 ADUs issued building permits in 2023. The County surpassed its highest number of issued building permits for ADUs in the unincorporated area to date.

| TABLE 1: TOTAL ADUs ISSUED BUILDING PERMITS IN UNINCORPORATED COUNTY BY PLANNING AREA SINCE 2010 | | | | | | | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Planning Area | '10 | '11 | '12 | '13 | '14 | '15 | '16 | '17 | '18 | '19 | '20 | '21 | '22 | '23 | '24 | TOTAL |
| Aptos | 1 | 2 | 2 | 2 | 1 | 1 | -- | 1 | 3 | 8 | 4 | 18 | 10 | 11 | 18 | 82 |
| Aptos Hills | 6 | 2 | 4 | 8 | 1 | 4 | 2 | 6 | 6 | -- | 1 | 1 | 1 | 6 | 1 | 49 |
| Bonny Doon | 3 | 1 | 2 | 1 | -- | 2 | -- | 1 | 2 | 2 | 1 | 4 | 5 | 2 | 1 | 27 |
| Carbonera | 2 | 6 | 3 | 2 | 1 | 6 | -- | 4 | 3 | 3 | 1 | 6 | 4 | 3 | 5 | 49 |
| Eureka Canyon | 1 | 2 | 1 | 2 | 2 | 2 | 1 | -- | 2 | 2 | 3 | 1 | -- | 2 | 3 | 24 |
| La Selva | -- | -- | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | -- | 2 | 4 |
| Live Oak | 2 | 2 | -- | 5 | 6 | 6 | 7 | 10 | 4 | 8 | 19 | 22 | 22 | 30 | 45 | 189 |
| North Coast | -- | 1 | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | 2 | 1 | 6 |
| Pajaro Valley | 3 | -- | 1 | 1 | 2 | 1 | 2 | -- | 4 | 1 | -- | 3 | 5 | 9 | 9 | 41 |
| Salsipuedes | -- | -- | 1 | 1 | 2 | -- | -- | 2 | 2 | -- | -- | 1 | -- | 1 | -- | 10 |
| San Andreas | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 1 | -- | -- | 1 | 2 | 4 | 9 |
| San Lorenzo Valley | 1 | 1 | -- | -- | 1 | 2 | 4 | 1 | 4 | 2 | 4 | 3 | 6 | 2 | 6 | 37 |
| Skyline | -- | -- | 1 | -- | -- | -- | 1 | 2 | -- | 1 | 1 | -- | -- | -- | -- | 6 |
| Soquel | -- | 1 | 2 | 4 | 2 | 1 | 1 | -- | 3 | 1 | 2 | 2 | 2 | 10 | 7 | 38 |
| Summit | 5 | -- | 2 | 1 | 1 | 4 | 1 | 1 | 3 | -- | 1 | -- | 2 | 5 | -- | 26 |
| TOTAL | 24 | 18 | 19 | 29 | 19 | 29 | 19 | 28 | 37 | 29 | 37 | 63 | 58 | 85 | 103 | 597 |

ADUs in the Coastal Zone

ADUs have been built primarily in rural, non-coastal areas. 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 particularly 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 189 building permits have been issued for ADUs within the Coastal Zone of unincorporated Santa Cruz County, as shown in Table 2. The County has seen a gradual increase in coastal ADUs in recent years, with approximately 32% of all ADU permits issued in the Coastal Zone in the past 14 years. Similar to countywide trends, there was a significant jump in issued coastal ADU permits in 2021, with another significant increase in 2024, where 51 permits in the Coastal Zone were issued compared to 30 in 2023.

**TABLE 2: TOTAL COASTAL ZONE ADUs ISSUE BUILDING PERMITS
IN UNINCORPORATED COUNTY BY PLANNING AREA SINCE 2010**

| Planning Area | '10 | '11 ⁽¹⁾ | '12 ⁽¹⁾ | '13 | '14 | '15 | '16 | '17 | '18 | '19 | '20 | '21 | '22 | '23 | '24 | TOTAL |
|--------------------|----------|--------------------|--------------------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Aptos | -- | 1 | 1 | 1 | -- | -- | -- | -- | 2 | 6 | 2 | 12 | 8 | 7 | 16 | 56 |
| Aptos Hills | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Bonny Doon | 2 | 1 | 1 | -- | -- | 1 | -- | 2 | 2 | -- | 1 | 2 | -- | 1 | 1 | 14 |
| Carbonera | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Eureka Canyon | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| La Selva | -- | -- | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | -- | 2 | 4 |
| Live Oak | -- | 1 | -- | 3 | 4 | 3 | 4 | 2 | 2 | 4 | 9 | 11 | 12 | 18 | 27 | 100 |
| North Coast | -- | 1 | -- | 1 | -- | -- | -- | -- | -- | -- | -- | 1 | -- | 2 | 1 | 6 |
| Pajaro Valley | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Salsipuedes | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| San Andreas | -- | -- | -- | -- | -- | -- | -- | -- | 1 | 1 | -- | -- | 1 | 2 | 4 | 9 |
| San Lorenzo Valley | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Skyline | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Soquel | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| Summit | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 0 |
| TOTAL | 2 | 4 | 2 | 6 | 4 | 4 | 4 | 4 | 7 | 11 | 12 | 27 | 21 | 30 | 51 | 189 |

⁽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.

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. Some of these potential impacts have been analyzed in aggregate in Section IV, Potential Growth Impacts, of the Report on the Year 2025 Growth Goal. County staff will continue to monitor ADUs in the Coastal Zone, as state and local regulations continue to encourage ADU production.

Housing Element Annual Progress Report (APR)

The General Plan Annual Report also details progress in meeting the County's RHNA and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing. The Housing Element 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.

HCD's reporting forms 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. Therefore, Tables A and A2 are not attached to this report but will be submitted to HCD and LCI as required. Summaries of the information presented in Tables A and A2 are provided below along with several other relevant tables described below.

Table A contains data on the housing development applications that were submitted to the Planning Division in 2024. These data are limited to the discretionary applications for housing units received in 2024. A total of 461 new housing units were proposed in the 18 applications received, where 10 applications were approved, three were withdrawn, and five are still in process and expected to be approved in 2025. Two of the three withdrawn applications were submitted under SB 423 (2023). Application PA241037 proposed 84 units and was withdrawn and replaced with a Builders' Remedy discretionary application (which has not yet been deemed complete) for the same site proposing 84-105 units. Application PA241027 proposed 32 units and was also withdrawn because it was replaced by a Builders' Remedy discretionary application for 40-63 units which has also yet to be deemed complete.

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 16 housing projects were entitled in 2024, proposing 38 new units. Building permits were issued for a total of 147 housing units in 2024 including single family dwellings, attached family dwellings, accessory dwelling units, apartments, and condominium units. A total of 188 units were granted final building permits.

In Table B, these 147 new housing units are broken down by affordability categories to demonstrate the County's progress in meeting the allocated share of regional housing need for the planning period (RHNA). 2024 is the first full year of the 6th Cycle RHNA, which ends in 2031. However, the 6th Cycle started on June 30, 2023. Table 3 shows the progress made by the County in the 6th Cycle toward meeting its RHNA.

| Table 3: 6 th Cycle 2023-2031 RHNA Progress | | | | | |
|--|--------------|----------------------------|---------------------------------------|------------------------|-----------------|
| Income Level | RHNA (Units) | Annual Goal (1/8 of Total) | 6 th Cycle Units Permitted | Percent of Annual Goal | Percent of RHNA |
| Very Low | 1,492 | 187 | 9 | 5% | 1% |
| Low | 976 | 122 | 85 | 70% | 9% |
| Moderate | 586 | 73 | 60 | 82% | 10% |
| Above Moderate | 1,580 | 198 | 72 | 36% | 5% |
| Total | 4,634 | 580 | 226 | 39% | 5% |

Table C lists the sites identified for rezoning in the 2023 Housing Element Housing Sites Inventory to accommodate the shortfall of housing units required to meet the 6th Cycle RHNA. A total of 75 parcels are identified for rezoning to accommodate the shortfall, accounting for 2,142 potential units. Twenty seven of the 75 parcels have been rezoned as of December 17, 2024, with the 48 parcels remaining to be rezoned in 2025.

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

Table E is not applicable to Santa Cruz County.

Table F lists housing units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved.

Table F2 is 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 sites disposed of in 2024.

Table H inventories County-owned surplus lands in Census urbanized areas. This list includes the surplus RDA site on 7th Avenue. Following dissolution of the RDA, the Redevelopment Successor Agency (RSA) in 2013 adopted a Long-Range Property Management Plan (LRPMP) directing the property be sold. Pursuant to the Surplus Lands Act, the RSA adopted a resolution declaring the property “surplus land” and stating its intent to sell the property on June 23, 2023.

Tables J and K are not applicable to Santa Cruz County.

The Summary Tables provides a summary of housing units for which building permits were issued and applications were submitted in 2024. These tables also include information on applications and permits that applied for streamlining under recent state bills, including SB 6, SB 9, SB 35/423, and AB 2011. While the County has received

several pre-applications under SB 9, which allows ministerial review of certain two-unit developments and lot splits, only one has advanced past the planning application phase and for which a building permit was finalized, as shown on Table A2. Additionally, the County has received one AB 2011 application and is in the Development Review Group (DRG) phase, once the project is deemed complete the next phase would be the issuance of a building permit.

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, a comprehensive update of the County's General Plan and Zoning regulations designed to increase residential development in urban areas and build walkable communities. Work on the project was completed in September 2024.

R-Combining District

The previous 2015 Housing Element required the Planning Division to report to the Board on development permits that have been approved or issued for each Regional Housing Need R-Combining District site. Three of the original five sites that were rezoned to allow for housing at 20 units per acre were developed in the previous cycle for a total of 291 units, including the recently completed 17th and Capitola Road and Pippin II projects. The two remaining sites include Erlach in Soquel, and Nigh/Protiva in Live Oak. The former site has been the subject of developer interest, but no permit applications have been received to date. *Policy H-1.5: R-Combining District* addresses these remaining properties. Future developer interest on these sites will be presented with other active housing development permit applications shown in Table 5 below.

| Table 4: New Density Bonus Applications Filed and Deemed Complete in 2024* | | | | | | | | | | | |
|--|---|-----------|---------------|--------|----------|--------------------|-----------------------|---------------------|--------------|---|--------------|
| Location | Applicant / Sponsor | Appl. No. | Bldg Type | Tenure | App Date | Total Units | Afford-able Units | Density Bonus Units | Subsid-ized? | Status | Streamlined? |
| 2755 41st Ave, Soquel (APN: 030-121-61) | Linc Housing, Pacific West Commu-nities | 241279 | Apts. | Rent | 8/16/24 | 289 | 118 Very Low, 168 Low | 167 | Yes | Pending, resubmitted with 256 units in 2025 | Yes: AB 2011 |
| 3500 Paul Sweet Rd., Santa Cruz (APN: 025-013-37) | Workbench | PA-241037 | Apts. | Rent | 8/30/24 | 84 (105 w/ CADU s) | 7 Very Low, 5 Mod | 57 - 78 | No | Withdrawn , larger project submitted in 2025 | Yes: SB 423 |
| 841 Capitola Rd, Santa Cruz (APN: 026-491-40) | Workbench | PA-241027 | Apts. | Rent | 9/18/24 | 32 | 2 Very Low, 2 Mod | 14 | No | Withdrawn , larger project submitted in 2025 | Yes: SB 423 |
| | | 231160 | Single-Family | Sale | 1/19/24 | 15 | 2 Mod | 5 | No | Withdrawn | No |
| 2450 Mattison Ln, Santa Cruz (APN: 029-391-01) | Swift Consulting, Locatelli | 221077 | Town-homes | Sale | 2/23/24 | 25 | 2 Low, 2 Mod | 0 | No | Pending | No |

* Table 4 summarizes the data on Planning applications filed and deemed complete in 2024 for projects of five or more units. Source data is from Table A of the APR Workbook. Table A does not include discretionary applications filed in 2024 if they were not deemed complete by Dec. 31, 2024, pursuant to HCD's instructions. Those applications are reported in the year when they are deemed complete.

| Table 5: Major Active Projects | | | | | | | | | | | | |
|--|--|--|-----------------------------|--------------------|----------------|-------------|------------------|---------------|----------|--|----------------------------|-------------------------------------|
| Application # | Location | Developer/ Sponsor | Project Name | Project Type | Density Bonus? | Total Units | Affordable Units | Income Levels | DB Units | Subsidy Type(s) | 2024 Milestone | Stream- lining Type |
| 211018 | 1715 Brewington Ave, Watsonville | MidPen Housing | Cienega Heights (Pippin II) | Rental | No | 80 | 80 | ELI, VLI, Low | - | Tax Credits, County Loan, Joe Serna Jr | Completed | R-Comb PUD |
| 221009 | 2838 Park Ave., Soquel | Novin Dev/ CVCAH | Park Haven Plaza | Rental | Yes | 36 | 35 | ELI | 16 | Homekey, County Loan | Construction | Homekey |
| 101027 | Aptos Village Way, Aptos | Swenson | Aptos Village Phase 2 | Sale | No | 29 | 5 | Mod | - | N/A | Construction | N/A |
| 171265 | 432 Capitola Rd. Ext., Santa Cruz | 432 Capitola Rd LLC | TBD | Rental | Yes | 7 | 2 | Low | 2 | N/A | Construction | N/A |
| 221136 | 8705 Hwy 9, Ben Lomond | SCC Veterans Hall Board of Trustees, Danco | Veterans Village | Rental | No | 21 | 21 | ELI | - | Homekey | Construction (Permitted)** | Homekey |
| 241279 | 2755 41st Ave, Soquel | Linc Housing / Pac West Communities | 41st & Soquel | Rental | Yes | 286 | 286 | ELI, VLI, Low | 169 | Pending: Tax credits, County Loan | Development Review | AB2011 |
| 241320 | Soquel Dr / Thurber Ln (APN: 025-351-19) | Anton Development | Anton Solana | Rental / Mixed Use | Yes | 183 | 183 | ELI, VLI, Low | - | Pending: Tax credits, County Loan | Development Review | SB 330 |
| 241369 | Graham Hill Rd. (Lockewood Ln to Rolling Woods Dr) | L. Tate | The Haven | For Sale | No | 161 | 34 | Low | - | N/A | Development Review | Builders' Remedy, SB330 |
| 241360 | 3500 Paul Sweet Rd, Santa Cruz | Workbench | TBD | For Sale | Yes | 105 | 5 | Very Low | 76 | N/A | Development Review | Builders' Remedy, SB423, SB330, ADU |
| 241226 (PUD 07-0414) | 5940 Soquel Ave, Santa Cruz | KB Homes | TBD | For Sale | No | 100 | 15 | Mod | - | N/A | Development Review | R-Comb PUD |
| 241420 | 3911 Portola Dr., Santa Cruz | A. Haghshenas | Pleasure Point Plaza | Rental / Mixed Use | Yes | 41 | 4 | Very Low | - | N/A | Development Review | N/A |
| PA241027, 241371 | 841 Capitola Rd, Santa Cruz | Workbench | TBD | Rental | Yes | 39 | 4 | VLI, Mod | 5 | N/A | Development Review | Builders' Remedy, SB423, SB330, ADU |
| PA221048 | 1231-1255 7th Ave, Santa Cruz | Peter Spellman | TBD | Rental | Yes | 27 | 2 | Very Low | 6 | N/A | Development Review | N/A |
| 221077 | 2450 Mattison Ln, Santa Cruz | Swift Consulting/ Locatelli | Locatelli Tract | For Sale | Yes | 25 | 4 | Mod | 1 | N/A | Development Review | N/A |
| 241399 | 141-145 Calabasas, Watsonville | W. Petlinsky | TBD | Both | No | 16 | - | N/A | - | N/A | Development Review | ADU, JADU |
| 241385 | 2100 Chanticleer, Santa Cruz | 2100 Chanticleer LLC, Swift Consulting | First Wave Apts | Rental | No | 8 | 2 | Low | - | N/A | Development Review | Builders' Remedy, SB330 |
| 241300 | 21245 E Cliff Dr, Santa Cruz | Pelican Point Ptners | TBD | Rental / Mixed Use | No | 6 | - | N/A | - | N/A | Development Review | N/A |
| 231069 | 1960 Maciel Ave, Santa Cruz | Warmington | TBD | For Sale | Yes | 21 | 3 | Mod | 4 | N/A | Entitled | N/A |
| 221371 | 2716 Freedom Blvd, Watsonville | CFSC, Inc | Freedom House | Transit- ional | No | 11 | 11 | ELI | - | Homekey, County Loan | Plan Check | Homekey |
| 211213 | Lorraine Ln, Soquel | D. Madinger | TBD | For Sale | Yes | 6 | 1 | Mod | 1 | N/A | Plan Check | N/A |
| PA221045 | 2021 Chanticleer, Santa Cruz | New Horizons | TBD | Rental | Yes | 30 | 3 | Very Low | 10 | Pending: HUD, other | Rezoned, Predevelop- ment | Min Comb Dist/ |
| Total Units | | | | | | 1,238 | 700 | | 290 | | Affordable % of Total | 57% |
| Extremely Low Income (ELI); Very Low Income (VLI), Moderate Income (Mod) **Applicant pulled building permits but is not starting construction until all funding is secured. Of 21 units, 11 are existing to be rehabilitated, 10 are new. | | | | | | | | | | | Lower Inc % of Total | 57% |

Housing Element Annual Progress Report

TABLES

for

Santa Cruz County - Unincorporated

Reporting Calendar Year 2024

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

| | | |
|--|--------------------------------|-------------------------|
| Jurisdiction | a Cruz County - Unincorporated | |
| Reporting Year | 2024 | (Jan. 1 - Dec. 31) |
| Housing Element Planning Period | 6th Cycle | 12/15/2023 - 12/15/2031 |

| Building Permits Issued by Affordability Summary | | |
|--|---------------------|--------------|
| Income Level | | Current Year |
| Very Low | Deed Restricted | 9 |
| | Non-Deed Restricted | 0 |
| Low | Deed Restricted | 0 |
| | Non-Deed Restricted | 54 |
| Moderate | Deed Restricted | 1 |
| | Non-Deed Restricted | 49 |
| Above Moderate | | 34 |
| Total Units | | 147 |

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 | 5 | 3 |
| Single-family Detached | 30 | 30 | 26 |
| 2 to 4 units per structure | 0 | 0 | 0 |
| 5+ units per structure | 0 | 0 | 80 |
| Accessory Dwelling Unit | 8 | 103 | 76 |
| Mobile/Manufactured Home | 0 | 6 | 3 |
| Total | 38 | 144 | 188 |

| Infill Housing Developments and Infill Units Permitted | # of Projects | Units |
|--|---------------|-------|
| Indicated as Infill | 1 | 0 |
| Not Indicated as Infill | 0 | 0 |

| Housing Applications Summary | |
|--|-----|
| Total Housing Applications Submitted: | 18 |
| Number of Proposed Units in All Applications Received: | 461 |
| Total Housing Units Approved: | 13 |
| Total Housing Units Disapproved: | 0 |

| Use of SB 423 Streamlining Provisions - Applications | |
|--|---|
| Number of SB 423 Streamlining Applications | 2 |
| Number of SB 423 Streamlining Applications Approved | 0 |

| Units Constructed - SB 423 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 423 (2023) | 0 | 0 |

| Ministerial and Discretionary Applications | # of Applications | Units |
|--|-------------------|-------|
| Ministerial | 3 | 405 |
| Discretionary | 15 | 56 |

| Density Bonus Applications and Units Permitted | |
|--|-----|
| Number of Applications Submitted Requesting a Density Bonus | 5 |
| Number of Units in Applications Submitted Requesting a Density Bonus | 445 |
| Number of Projects Permitted with a Density Bonus | 0 |
| Number of Units in Projects Permitted with a Density Bonus | 0 |

| Housing Element Programs Implemented and Sites Rezoned | Count |
|--|-------|
| Programs Implemented | 47 |
| Sites Rezoned to Accommodate the RHNA | 27 |

Cells in grey contain auto-calculation formulas

| | | |
|-----------------|------------------------------------|-------------------------|
| Jurisdiction | Santa Cruz County - Unincorporated | |
| Reporting Year | 2024 | (Jan. 1 - Dec. 31) |
| Planning Period | 6th Cycle | 12/15/2023 - 12/15/2031 |

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

| Table B | | | | | | | | | | | | | |
|---|---------------------|---------------------------------|---|------|------|------|------|------|------|------|------|------|--------------------------------------|
| Regional Housing Needs Allocation Progress | | | | | | | | | | | | | |
| Permitted Units Issued by Affordability | | | | | | | | | | | | | |
| | | 1 | | 2 | | | | | | | | | 3 |
| Income Level | | RHNA Allocation by Income Level | Projection Period - 06/30/2023-12/14/2023 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | Total Units to Date (all years) |
| | | | | | | | | | | | | | Total Remaining RHNA by Income Level |
| Very Low | Deed Restricted | 1,492 | - | - | 9 | - | - | - | - | - | - | - | 9 |
| | Non-Deed Restricted | | - | - | - | - | - | - | - | - | - | - | |
| Low | Deed Restricted | 976 | 2 | 1 | - | - | - | - | - | - | - | - | 85 |
| | Non-Deed Restricted | | 28 | - | 54 | - | - | - | - | - | - | - | |
| Moderate | Deed Restricted | 586 | 4 | - | 1 | - | - | - | - | - | - | - | 60 |
| | Non-Deed Restricted | | 6 | - | 49 | - | - | - | - | - | - | - | |
| Above Moderate | | 1,580 | 38 | - | 34 | - | - | - | - | - | - | - | 72 |
| Total RHNA | | 4,634 | | | | | | | | | | | |
| Total Units | | | 78 | 1 | 147 | - | - | - | - | - | - | - | 226 |
| Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1). | | | | | | | | | | | | | |
| | | 5 | | | | | | | | | | | 6 |
| | | Extremely low-Income Need | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | Total Units to Date |
| | | | | | | | | | | | | | Total Units Remaining |
| Extremely Low-Income Units* | | 746 | | - | 9 | - | - | - | - | - | - | - | 9 |

*Extremely low-income housing need determined pursuant to Government Code 65583(a)(1). Value in Section 5 is default value, assumed to be half of the very low-income RHNA. May be overwritten.

Please Note: Table B does not currently contain data from Table F or Table F2 for prior years. You may login to the APR system to see Table B that contains this data.

Note: units serving extremely low-income households are included in the very low-income RHNA progress and must be reported as very low-income units in section 7 of Table A2. They must also be reported in the extremely low-income category (section 13) in Table A2 to be counted as progress toward meeting the extremely low-income housing need determined pursuant to Government Code 65583(a)(1).

Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will only include units that were permitted since the start of the planning period. Projection Period units are in a separate column.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

| | | |
|----------------|------------------------------------|--------------------|
| Jurisdiction | Santa Cruz County - Unincorporated | |
| Reporting Year | 2024 | (Jan. 1 - Dec. 31) |

| | | | |
|--|--|---------------------------|--|
| D_1_Name | D_2_Objective | D_3_Time | D_4_Status |
| 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 H-1A: Continue to annually evaluate progress made and any improvements needed to meet the County's RHNA, along with the Annual Progress Report (APR) submitted to HCD. Consider known barriers to development, and update development standards and/or address other constraints to residential development on the sites included in the County's Sites Inventory, where necessary to achieve the County's RHNA. | APR Submitted Annually to HCD and the Board of Supervisors | Annually | In progress. CDI Planning staff prepares the APR annually and presents it to the Planning Commission and Board of Supervisors prior to April 1 of each year. |
| Program H-1B: Rezone sufficient vacant and/or underutilized property to appropriate multi-family residential and/or mixed-use zone districts to accommodate the RHNA in each income category, after deducting units accommodated on existing sites, which are shown in Appendices HE-E and HE-F. Such sites are needed to increase the amount of housing available at various levels of affordability to support the local workforce and for essential workers, including but not limited to those working in healthcare, education, public safety, other public sector or non-profit jobs, services, environmental practitioners, agriculture, hospitality, and tourism. This program will rezone sites with the appropriate zoning and development standards to facilitate achieving maximum densities as shown in Table 7 of Appendix HE-E (the Sites Inventory) as required by Government Code subsections 65583(c)(1) and 65583.2(h) and (i). Those subsections require that sites listed on Table 7 that are necessary to meet the shortfall of Lower Income units (currently estimated at 27 of the 75 parcels in Table 7, subject to reevaluation at time of rezoning) shall be zoned to permit owner-occupied and rental multifamily residential use by right for developments in which at least 20 percent of the units are affordable to lower income households during the planning period. Bring proposed rezonings (Appendix HE-E) to the Board of Supervisors in time for a second reading of the ordinance no later than December 2026. | Rezone ~75 parcels to fit shortfall of units (at least 1,338 lower- and moderate-income units) | Complete by December 2026 | In progress, partially complete. CDI has created two groups of parcels to be rezoned (Batches A and B), with each batch containing roughly half of the total parcels to be rezoned. Rezoning of Batch A was completed by December 2024. CDI is currently preparing to bring a rezoning package on Batch B to the Planning Commission and Board of Supervisors for review and action in Spring 2025 (hearings are planned for March and April 2025). Once the rezoning of Batch B is completed, this Program will be completed. |
| Program H-1C: Develop a by-right overlay zone to permit rental and owner-occupied multi-family housing uses by right (ministerially) pursuant to Government Code section 65583.2(c), (h) and (i) for developments with 20% or more lower-income units. This overlay zone shall apply to sites included in the Inventory that were included in the Inventory as sites for lower-income housing in one or more prior cycles but were not developed. These sites are identified in Appendix HE-E with the overlay zone indicated with a "-Min" in the Proposed Zoning Column (e.g., "C1-Min"). A total of approximately 11.8 acres is proposed for rezoning into the "-Min" overlay zone, consisting of seven parcels in commercial zones, comprising a total of five sites, as shown in Appendices HE-E and HEF. The sites range in size from 0.52 acres to 8 acres, and with a total estimated capacity of at least 200 units. All of these parcels are in commercial zones which allow mixed-use, with residential densities of 22-45 units per acre. Each site can accommodate more than twenty units at densities of 22-45 units per acre. The addition of the required by-right overlay will bring these parcels into compliance with the above-cited subsection of the Government Code. | Ordinance creating new overlay zone that meets the standards of Gov. Code subsections 65583.2(h) and (i), and that rezones these parcels into that overlay zone. | Complete by December 2025 | Completed. On August 27, 2024, County Board adopted an ordinance creating a new overlay zone (-Min) in compliance with Government Code subsections 65583.2(h) and (i). The overlay zone enables streamlined, ministerial processing for housing projects that include at least 20% lower-income units. Qualifying projects within the -Min zone can be approved without discretionary review, significantly reducing approval times and making it easier to build affordable housing in these areas. The LCP amendment was recieved by the Coastal Commission on February 3, 2025 and has a 90-day deadline for a hearing on the amendment, unless a 1-year extension is requested. The rezoning of parcels into this new overlay zone was partially completed with Batch A, and the remainder will be completed with Batch B, in 2025 (see also program H-1B). |

| <div>Housing Programs Progress Report</div> <div>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.</div> | | | |
|--|--|---|--|
| 1 | 2 | 3 | 4 |
| Name of Program | Objective | Timeframe in H.E | Status of Program Implementation |
| Program H-1D: Update density bonus code (SCCC Chapter 17.12) to provide additional policy incentives to encourage parcel assembly for multi-family housing projects, inclusion of extremely low-income units, and units for special needs households, and to ensure consistency with current state density bonus law. Include a clause noting that if state density bonus law is amended in the future (as has occurred very frequently over the past decade), any preemptive provisions of the law will be implemented, notwithstanding any contradictory provisions in the County's local density bonus code. | Update to Chapter 17.12 with Policy H-1.9 | Complete by December 2025 and on an annual basis thereafter as warranted. | In Progress. This program is part of a current scope of work the CDI Policy & Housing team has begun with outside special counsel to develop draft code language and a draft ordinance to update the County's density bonus code chapter (17.12). |
| Program H-1E: Rezone appropriate urban opportunity sites to Residential Flex (RF) zoning and increase densities on current RM-zoned sites to densities of 20 units or more per acre, potentially including, but not limited to, parcels identified as opportunity sites in the Sustainable Santa Cruz County Plan (if not already rezoned through Program H-1B, or already in a zone which allows higher density residential). Such sites are needed to increase the amount of housing available at various levels of affordability to support the local workforce and for essential workers, including but not limited to those working in healthcare, education, public safety, other public sector or non-profit jobs, services, environmental practitioners, agriculture, hospitality, and tourism. | Additional parcels rezoned to RF | Upon request of property owner, or by December 2027 | Planned. This program will be undertaken after completion of Program H-1B, likely in 2026, or upon request of property owners of sites meeting the target criteria for this program. |
| Program H-1F: Update multi-family development standards such as minimum parking requirements, floor area ratio (FAR) limits, lot coverage, height, and story limits. Increasing height limits to allow 4-6 stories at key intersections, high quality transit areas, and/or within major shopping centers, to accommodate more housing near transit and services in multi-family and mixed-use zones within the Urban Services Line. | Ordinance with updated standards, and updated design guidelines | Complete by December 2026 | Planned. CDI will begin this program in late 2025/early 2026. |
| Program H-1G: Update County procedures and codes to streamline the process for filing residential parcel maps (minor land divisions) and subdivisions maps on property within the Urban Services Line, to minimize or eliminate steps that exceed the requirements of state law, and/or that add unnecessary delay to processing time, consistent with these objectives in the County's 2023-25 Operational Plan. | Updated County code (Title 14, others as needed), procedural guidance, process improvements. | Complete by December 2025 | In Progress. CDI has begun work on this program and projects timely completion by Dec. 2025. |
| Program H-1H: Develop an SB 9 implementing ordinance, and Local Coastal Program (LCP) amendments as needed to allow SB 9 housing projects within the Coastal Zone, as recently directed by the Coastal Commission. SB 9 allows up to four units on single-family parcels that meet certain criteria specified in SB 9. | LCP amendment for SB 9 projects | Complete by December 2024 | Completed. SB 9 allows development of up to 4 homes on single-family lots through lot splits and/or construction of duplexes. Jurisdictions in the coastal zone must amend their Local Coastal Programs (LCPs) to permit SB 9 projects in the Coastal Zone. On December 17, 2024, the Board adopted an ordinance to implement SB 9. The ordinance is bifurcated, and has taken effect outside the coastal zone, but is pending Coastal Commission certification to take effect within the coastal zone. This LCP amendment will allow the development of more housing in the County's Coastal Zone. The LCP amendment was submitted to the Coastal Commission on January 28, 2025. The Commission has 90 days to review and act on the LCP amendment. |
| Program H-1J: Rezone residential parcels per SB 10, which allows up to 10 units on qualifying infill parcels, to allow “missing middle” housing within low-density infill neighborhoods. Many of these sites are located in high resources areas as shown on the Mid-County TCAC Opportunity Map in Appendix HE-A, Figure HE-A-122, where the rezoning will enhance housing mobility (housing choices and affordability in these areas. This program includes the approximately 40 parcels identified in Appendices HE-E and HE-F for SB 10 rezoning, and/or additional parcels identified later for rezoning per SB 10. | Ordinance rezoning property pursuant to SB 10 | Complete by December 2025 | In progress, partially complete. Approximately half of the 40 parcels listed in the inventory were rezoned per SB 10 with the Batch A rezoning completed in 2024. The other half will be rezoned per SB 10 with the Batch B rezoning which will be completed in 2025. See Program H-1B status update for further details. |

| 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 H-1K: Provide priority processing for projects of seven or more new units with at least 15% lower-income, or 25% moderate-income units, and/ or projects to substantially rehabilitate 10 or more subsidized rental units. Develop administrative procedures for implementing priority processing during discretionary review, plan check, permitting, (including grading, encroachment, and related permits), inspections, and processing maps associated with qualifying projects. Administrative procedures should address how to prioritize multiple projects that qualify for priority processing around the same time, and other frequently asked questions. Train relevant staff of all County review agencies at the Unified Permit Center (UPC) how to implement priority processing in their respective roles and tasks. Encourage special districts and regional agencies involved in development review, ministerial permitting, and/or utility connections to implement a similar priority processing policy for projects in the County's unincorporated areas, to the extent possible. | Creation of administrative procedures document for priority processing, code updates if needed, training for UPC staff | Complete by December 2024 | In progress, partially complete. CDI staff in the involved divisions are meeting internally to begin work on this program. In the meantime, CDI continues to provide priority processing on eligible Planning and Building permit applications pursuant to past practice. Anticipated completion by Sept. 2025. |
| Program H-1L: Amend the special community design criteria for the East Cliff Village tourist area provided in SCCC 13.20.145, to allow buildings taller than two stories where appropriate to support economically viable development and facilitate housing development on larger parcels at an appropriate density for affordable housing, while providing design guidance to ensure compatibility with the overall character and historic properties in the area. | LCP amendment providing updated design criteria in SCCC 13.20.145 for the East Cliff Village tourist area | Complete by December 2024 | Planned. This program is on the CDI work program for FY 2025-26. CDI had to prioritize higher-priority programs in 2024, such as the Ministerial combining zone and the rezoning program (Programs H-1B and H-1C), among other high priority CDI work items. |
| Program H-1M: Continue to implement current ADU Incentives Programs, such as the ADU Technical Assistance Program, which provides technical assistance and education to homeowners wishing to add an ADU to their properties, through its three-year pilot period, and update County ADU codes annually, or as frequently as legally required, to ensure compliance with recently enacted, pre-emptive ADU laws. The ADU Incentives Program assists homeowners who either are low- or moderate-income themselves or agree to create an ADU that will be rented within the affordability requirements of the program for at least three years. Evaluate program outcomes at conclusion of pilot period, and if funding and administrative capacity remains available at that time, contract for another three-year program cycle. Evaluate the continuation of other programs, such as the County's educational materials, website tools that help property owners assess the potential for development of ADUs on their properties, planning fee reductions, and marketing materials. Evaluate geographic distribution of ADU new construction and conversion projects to determine if additional actions are necessary to increase this housing choice in higher resource areas, as shown on TCAC Opportunity Maps. Add pre-approved ADU plans, developed through an earlier County contract, to the County website. Those pre-approved plans meet County standards and provide design options for various types of ADU sites. Update website to provide links to ADU designers who have had ADU plans approved by the County. | Evaluation of ADU Incentives Program outcomes and launch of a new three-year program cycle with any modifications recommended by evaluation report; consideration of actions to encourage ADU construction in higher resource areas, if necessary; posting of pre-approved plans and links to ADU designers on County website; updated County ADU codes. | Complete evaluation of ADU Incentive Program at end of 3-year pilot period (December 2026); evaluate geographic distribution of ADU construction in same timeframe (December 2026); post pre-approved ADU plans on website no later than March 2024; Update County ADU codes within 6 months of enactment of any new pre-emptive State ADU laws and/or notice from HCD of any inconsistencies with current state law. | Ongoing. The current ADU Incentives Pilot Program is underway. The three-year term of the pilot ends in June 2026. To date the program has been very well received and is assisting a wide range of homeowners throughout the county. Three ADUs were completed as of December 2024 and additionalADUs are in various stages of development by program participants and the ADU administrator (Hello Housing). Pre-approved ADU plans were posted on the County's website in 2024 and are available for use. The County's ADU code section has been updated to cover the most recently enacted state ADU laws and is currently being reviewed by HCD for compliance. |

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| Program H-2A: Seek local, state, or federal funding and/or partnerships with the Housing Authority, or other incentives to encourage property owners to extend affordability covenants or subsidy programs at subsidized affordable rental properties with expiring restrictions. One affordable rental property, Seaside Apartments in Live Oak, could expire within this cycle, in 2027. There are no more expiring “Measure J” units, as the last expiring units expired in 2019. The remaining Measure J units are restricted in perpetuity, as the County’s inclusionary policy was updated in 1990 to make all Measure units restricted in perpetuity. The County shall also target the preservation of all units that are at-risk of conversion to market rate rents during the planning period and commit to complying with all noticing requirements pursuant to Government Code section 65863.10 (e.g., 3 years, 12 months, and 6 months). | Extension of affordability covenants or subsidy programs, such as project-based Section 8 contracts (“HAP” contracts) for expiring properties. | 1-2 years before expiration of deed restrictions or project-based Section 8 (HAP) contract | Completed and Ongoing. The sole at-risk property in the County, Seaside Apartments on Brommer St., was sold in 2024 to a new owner seeking public subsidies to renovate and retain the property as low-income housing. The County held a TEFRA hearing as required for the applicant to apply for tax-exempt bonds to fund the proposed acquisition/ rehab/preservation of this property. See: https://www.multihousingnews.com/california-affordable-asset-trades-for-45m/ and https://santacruzcountycalifornia.com/Citizens/Detail_LegiFile.aspx?ID=16367&highlightTerms=seaside%20apartments |
| Program H-2B: Maintain existing County codes and regulatory programs to preserve existing MHPs in the unincorporated area. These include the County’s MHP rent stabilization program (SCCC Chapter 13.32), the MHP conversion and closure codes (SCCC Chapter 13.30 and 13.31), County deed restrictions on MHPs assisted by the former redevelopment agency, and may include, when available, funding for various MHP preservation, acquisition and/or maintenance projects through State programs such as the MORE program (formerly MPROP). | Preservation of existing MHPs and the continued affordability of the housing stock that is currently located in them | Ongoing | Ongoing. |
| Program H-2C: Maintain and implement, when conversions are proposed, the Condominium Conversion Ordinance (SCCC Chapter 14.02) to preserve existing rental housing. This chapter provides various protections and benefits for tenants of rental housing proposed for conversion, and requires, with limited exceptions, converted condominiums to be restricted affordable to lower- and moderate-income buyers for the life of the unit. | Few if any conversions of existing rental units to condominiums during the 6th Cycle | Ongoing | Ongoing. |
| Program H-2D: When adequate resources are available, continue housing rehabilitation programs to help low-income mobile/manufactured homeowners and/or income-eligible, disaster-affected homeowners rehabilitate and/or replace their homes using state, federal, and/or local funding sources, when available, to the extent insurance or FEMA proceeds are not adequate to cover these costs. Assist owners of affordable rental housing to obtain state funding for rehabilitation and/or provide County assistance for rehabilitation, if available. Ensure that budgeting for owner-occupied housing rehabilitation programs covers the full cost of administering such programs, including appropriate staffing by a qualified rehabilitation specialist and/or contract program administrator, standard legal costs, as well as loan servicing and/or unit monitoring for the life of the proposed rehabilitation loan or grant terms. Continue to coordinate with HCD Disaster Recovery unit on planning and outreach to local homeowners and housing providers in need of CDBG-DR assistance. | Rehabilitation or replacement of at least six substandard mobile homes during the 6th Cycle, or more if adequate state or federal funding is obtained, and rehabilitation of 176 affordable rental units. | On annual basis, County staff will review state and federal notices of funding availability and will apply for funding whenever financial resources for this purpose become available, and the County meets the eligibility criteria to apply. | Ongoing and partially complete. Two substantial rehabilitation projects at existing affordable rental properties are in construction and on track to complete in 2025. Both projects (Vista Verde and San Andreas) were funded by the state Portfolio Reinvestment Program (PRP) and were assisted in various ways by the County. Both had received prior financing from the County's former RDA. Both are located in South County and provide affordable housing to farmworkers and other lower-income residents. |
| Program H-2E: Continue to implement the County’s Affordable Housing Preservation Program (AHPP), administered by the Housing Authority, to preserve County-assisted affordable homeownership units at risk of foreclosure or loss due to bankruptcy, egregious non-compliance, death of owner without heir, or other reasons, prior to trustee sale or other court/compliance actions, and when preservation is feasible with available AHPP resources. | Preservation of affordable homeowner units at risk of loss | Ongoing, as needed when affordable homes are at risk and can be preserved through AHPP | Ongoing. Significant County resources have been dedicated to one preservation case beginning in early 2024 and continuing to date. |

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| Program H-2F: Continue to implement First-time Home Buyer (FTHB) programs to help lower-income households purchase manufactured homes in non-profit and/or resident-owned MHPs, and/or standard homes (i.e., condominiums, townhomes) when funding is available, and when sufficient homes meeting housing quality standards (HQS) are available for sale within the program-feasible price range in the higher opportunity areas of the unincorporated area, or in other portions of the unincorporated area, if that is where the buyer prefers to purchase a home. Ensure that program budget covers all necessary costs of program operation, including outreach/marketing, initial program administration and lending, and long-term loan servicing and unit monitoring. | Number of new homebuyer loans made. Based on the County's historical track record, achieved during several decades when plentiful redevelopment agency housing set-aside funds were available for this purpose, and which time period included several recessions when home prices were significantly more affordable, staff anticipates making an average of two loans per year during the sixth cycle. Achieving this target would require the amount of inventory available for sale within the program-feasible price range to increase significantly within the first several years of the cycle and is subject to funding availability for this program. | On an annual basis, review state and federal notices of funding availability and apply for funding whenever it is available for this purpose and the County is eligible to apply. | Ongoing. Staff reviews all published HCD NOFAs for eligibility and feasibility. Programs will be initiated when resources are available and market conditions are conducive to such programs. |
| Program H-2G: Continue to implement SB 13 of 2019 for ADUs subject to Notices of Violations (similar to the County's prior Safe Structures Program), to allow property owners a five-year postponement of code enforcement action on unpermitted ADUs built before 2020 that meet all health and safety standards, so they can continue to provide needed housing while permits are being sought for the ADU. | Five-year postponement of enforcement action on qualifying ADUs | Ongoing | Ongoing. |
| Program H-2H: Develop a proactive code enforcement program to bring unpermitted vacation rentals into compliance with County Code (primarily Chapter 13.10.694) restricting vacation rental use of housing units, and to improve compliance with transient occupancy tax (TOT) requirements applicable to vacation rentals. | Reduction of unpermitted vacation rental uses of existing housing stock and increased TOT collections from vacation rentals | By end of 2024 | Ongoing. Starting in late 2022, the Code Compliance section of CDI has implemented a program, in partnership with the Auditor-Controller-Treasurer-Tax Collector's Office, Sheriff's Office, and Assessor's Office to establish a process for revoking short-term rental permits that are not compliant with the Conditions of Approval, actively issue citations for violations for unpermitted use of a property as a short-term rental, and ensure proper collection of transient occupancy tax. Over 251 citations for violations including were issued between November 1, 2023 and October 25, 2024. |
| Program H-2I: To the extent funding is or will be available to the County and/or Continuum of Care (CoC) for this purpose, support local legal aid programs that provide legal aid and housing counseling to lower-income and at-risk tenants with rental housing concerns such as unlawful evictions, unlawful rent increases, and/or fair housing violations. | Additional legal aid for local renters facing eviction, unlawful rent increases, and/or fair housing violations. | On an annual basis, County and/or CoC staff will review state and federal notices of funding availability and apply whenever grants are made available for this purpose. | In progress, ongoing. In late 2023, the County Human Services Dept. provided \$130,000 for a multi-year contract with Tenant Sanctuary to provide legal representation to tenants facing eviction. They assist tenants in three main types of cases: •Unlawful Detainers (UD)/Evictions •Civil Affirmative •Small Claims |
| Program H-3A: Use County Affordable Housing Impact Fee (AHIF) revenues, generated through payment of housing impact fees by market-rate housing developers and those constructing non-residential buildings (i.e., commercial linkage fees), primarily to assist development of new deed-restricted, affordable rental units, and to support ongoing administration and monitoring of the County's portfolio of deed-restricted affordable homes (Measure J and other County-assisted units), consistent with the AHIF authorizing resolution and related codes and policies. Other special affordable housing programs or initiatives, such as the recently launched ADU Incentives Program, may be funded from this source from time to time when adequate AHIF funds are available. The AHIF fund, established in 2015, has averaged slightly over \$500,000 per year in annual revenues, including both fee payments and interest on the fund balance, over the past five fiscal years, beginning in 2019. | Make AHIF loans to assist development of new affordable rental units and/or preservation of existing affordable units, and to fund ongoing administration of County affordable housing programs. Commit the accrued AHIF balance, net of the amounts necessary for annual operation of inclusionary and/or ADU programs, to affordable housing developers requesting such funds for development of affordable housing on sites in the Inventory, with a priority for projects including ELI units and/or special needs units for farmworkers, disabled households, and formerly homeless households, and prioritizing funding applications that meet readiness and capacity thresholds, such as site control, developer capacity, and related factors (similar to those used by HCD in its NOFAs). | Ongoing. Commit currently available funds within 12 months, and subsequently issue NOFAs every 2-3 years, or whenever a sufficient balance of \$1 million or more has accrued in the fund, or in coordination with H4H NOFAs when appropriate. | Ongoing. In 2024 the County provided one AHIF loan of \$1.2M to assist acquisition of an opportunity site in the Sites Inventory by a non-profit housing developer for a development of 60 - 120 affordable lower-income units on Green Valley Rd. Project is currently in the predevelopment stage. An additional AHIF loan is currently in negotiations for a development of ~180 affordable lower-income units in Soquel. The Board approved commitments of these loans in Jan 2024. A third AHIF loan was tentatively committed but later declined by the applicant for a project of over 200 units in Soquel. Staff plans to issue a NOFA for future AHIF loans in 2025 for new construction and/or rehabilitation projects. |

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| Program H-3B: Continue to leverage available County affordable housing funds with other public or private sector housing resources, by collaborating with 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 may include but are not limited to: RDA Successor Agency Housing Asset Funds (as former RDA loans are re-paid), County AHIF Funds, PLHA funds, and other state/federal grant funds or grant reuse accounts held by the County. | At least three new affordable housing developments financed in part with County Housing Funds during the 6th Cycle, and regular facilitation and coordination with interested parties as needed to assist in development of housing on sites in the inventory, regular attendance and presentations to regional and local housing groups during quarterly, biannual or annual meeting and events. | Ongoing (daily, weekly, monthly, or quarterly, as needed) | Ongoing. See status update under H-3A above. In addition to AHIF loans, several other projects, including 2 Homekey projects, are underway with County assistance from other funds such as PLHA and Low-Mod (former RDA) Funds. |
| Program H-3C: Seek documentation from local utility districts to verify their compliance with state law that requires that all public sewer and water providers provide priority to, and retain sufficient capacity for, affordable housing projects built within their service areas. | Documentation of compliance from each water/sewer agency that is no more than 4 years old, maintained on file at CDI for reference; and increased awareness of this requirement among local water/sewer district staff. | By December 2024 and every 4 years thereafter, or upon notice of non-compliance from affordable housing developers | In progress and ongoing. |
| Program H-3D: Advocate with state representatives representing any portion of the county to consider state legislation to further limit (beyond the existing limits in CA Civil Code Section 1950.6) the amount of rental housing application fees that may be charged by rental property managers, and/or increase grant funding for rental assistance programs that can pay for such fees for lower-income applicants, and/or to require landlords to accept a standardized rental housing application (“universal application”) in a form to be developed by the State or the appropriate housing industry association. | New state law, new standard (“universal”) rental application, and/or additional funding for application fees | December 2026 | Planned for 2026; partially addressed by recent state legislation (AB 2493, SB 611, etc.). |
| Program H-3E: Complete the nexus study recently commissioned by County Public Works to study possible updates to its impact fee schedule for development projects. Encourage other local agencies that assess impact fees on new housing development within the unincorporated area (i.e., water, drainage, fire, sanitation, schools, environmental health agencies) to evaluate their impact fees applicable to new housing development every 5-10 years to ensure that their fee rates have an appropriate nexus and proportionality to the impacts of new units on their respective infrastructure or services, particularly for multifamily (apartment) units, and to consider exemptions or reduced rates for deed-restricted affordable units, when fiscally possible. | Completed DPW nexus study, possibly additional studies by other agencies. | December 2024 (current study); ongoing for other studies | In progress. RFP issued, consultant has been selected, and a contract recommendation for an impact fee consultant will be taken to the Board of Supervisors for consideration at its February 25, 2025 meeting. Once approved, staff will work with consultants to schedule stakeholder outreach meetings for County staff, including members of CDI, SCCSD, and Parks. |
| Program H-3F: Continue to implement County codes and applicable state and federal laws regarding tenant relocation assistance and replacement of existing affordable housing proposed for removal as part of redevelopment projects, or at risk due to substandard conditions or other property owner actions. Where such requirements apply, include conditions of approval in project entitlements (or for ministerial projects, place a hold on demolition permit issuance) to ensure developer compliance with applicable tenant relocation assistance requirements and/or replacement housing requirements. Ensure that UPC, Code Enforcement, and Housing staff are trained on implementation of this program. Evaluate County Code Chapters 8.45 and/or 12.06 to determine if any updates are warranted to improve implementation of Policy H-3.6, while not creating significant new constraints to redevelopment of underutilized sites with one or several existing, usually substandard units. | Continued implementation and enforcement of relocation assistance and/or replacement housing requirements applicable to County permittees and/or developers. | December 2025 | Ongoing. |

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| <p>Program H-3G: Commission an independent study to evaluate all aspects of the County’s Local Coastal Program (LCP), including its implementing ordinances and procedures, that apply to proposed multi-family and/or mixed use developments in the Coastal Zone, and/or that have historically served to, or may in the future impede the development of lower-income and/or multi-family rental housing on sites within the Coastal Zone included on the Sites Inventory; and evaluate the development review practices of any/all agencies involved in development review of proposed multi-family and mixed-use multi-family housing projects within the County’s Coastal Zone. The study shall determine if LCP regulations, development standards, design guidelines, and local development review practices applied to multifamily housing development are any of the following:</p> <p>1) Objective;</p> <p>2) Directly related to, necessary for, and effective in preserving coastal resources and/or coastal priority uses;</p> <p>3) Helping or hindering achievement of the goals and objectives of the County’s General Plan/LCP, including the Housing Element, and/or those of the Coastal Act;</p> <p>4) Comparable to policies and practices of peer agencies operating elsewhere in the state, and/or consistent with current best practices available to achieve the same goals of coastal protection, while not overly hindering general community development goals and effective use of limited development sites within the County’s urbanized Coastal zone (but non-waterfront) areas. The study shall also determine whether any of the LCP policies, regulations, or practices applied to proposed multifamily developments within the Coastal Zone have: served as a barrier to fair housing access; a constraint to multi-family housing development and County achievement of its RHNA goals in current or prior cycles; imposed more restrictive development standards on multifamily housing than for non-residential uses in the same zone; and/or have resulted in a disparate impact on protected classes, many of whom may be employed in coastal priority industries such as hospitality, agriculture, fishing, or visitor-serving commercial establishments, by limiting their access to available, attainable and/or affordable housing in or near the Coastal Zone. The study shall be completed by a qualified independent consulting entity with expertise in fair housing, urban design, sustainability, environmental and coastal resource protection, sea level rise and adaptation, multi-family housing development standards, current economics of and development trends in multi-family development in the region, and the creation and use of objective standards for residential development. The selected entity shall not have any actual or potential conflicts of interest related to the subject matter or geographic focus area of the study.</p> | Completion of the study, report to the Board with its findings | December 2025 | Pending , following completion of several higher priority programs. Need for study may be addressed by state legislation. |
| <p>Program H-3H: Commission a new nexus study and evaluation of the County’s inclusionary housing program (aka “Measure J”) codified in County Code Chapter 17.10. The study should, at minimum, evaluate the nexus related to the following aspects of the program, and provide recommendations for legally defensible and warranted updates: possible updates to the Affordable Housing Impact Fee (AHIF) rates and fee structure, which provides different fee rates for various categories of residential developments; the mandatory inclusionary percentage required of ownership projects subject to the ordinance (currently 15%); which types of projects are required to meet the mandatory inclusionary requirements (ownership and/or rental) rather than being allowed to pay the housing impact fees; the project size threshold that triggers the mandatory inclusionary requirements (currently seven net new units); requirements related to replacement of existing affordable units on the site; whether or not replacement affordable units can or should be counted toward the mandatory inclusionary requirements; affordability levels; and harmonizing the program with State density bonus law. The study shall comply with applicable State law regarding nexus studies and inclusionary housing, including, to the extent applicable, Government Code Section 65850.01. If the outcome of the study results in a proposal to increase the mandatory inclusionary requirements above 15%, the State HCD may require the County to produce an economic feasibility study as set forth in GC 65850.01. If that is the case, the required feasibility study shall be produced within one year of completion of the nexus study and prior to consideration of any ordinance to increase the inclusionary percentage. Any updates to the County’s inclusionary program shall not be a constraint on residential development.</p> | Completed nexus study and evaluation; and if directed by the Board, completion of draft ordinance to amend Chapter 17.10 within one year of study completion (or within two years, if an economic feasibility study is required). | June 2025 (for nexus study) | In progress. RFP issued for required studies in conjunction with Program H-3J. |

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| Program H-3I: Ensure compliance with the Surplus Lands Act when County-owned sites are surplus, including noticing procedures to affordable housing developers, as required by the law, as it may be amended in the future. With respect to the County-owned site at 7th Avenue and Brommer Street, release a Notice of Intent and Request for proposals that incorporates an affordable housing component consistent with the Housing Sites Inventory. Conduct outreach with potential developers and priority permit processing for residential development on these properties. | Selection of development team for 7th Avenue and Brommer site. | December 2024 (Request for Proposal for 7th Ave & Brommer site) | In progress. An RFP was issued; negotiations with the selected team are ongoing. |
| Program H-3J: Modify the County’s inclusionary housing requirements in SCCC Chapter 17.10 to make the following changes: 1) Require 15% of all rental units developed in residential rental projects subject to the inclusionary requirements of Chapter 17.10 to be provided as affordable (“Measure J”) units (consistent with SCCC 17.10.039, except that this section shall serve as the mandatory compliance option for rental projects of 7 or more new units, rather than an alternative compliance option); and 2) Do not count replacement units (those required to replace any existing affordable units on the site, as defined in SCCC 17.12.025) toward the 15% inclusionary requirements of Chapter 17.10. | Ordinance amending SCCC Chapter 17.10 to make the changes described above. | December 2025, or as soon as practicable following completion of Program H-3H | In progress. An RFP issued for consultant study. |
| Program H-3K: Continue to work with owners of Public Facility (PF) zoned sites to facilitate affordable and employee housing projects. Monitor the development on these sites for progress toward the number units included in the Housing Sites Inventory during the eight-year planning period. If the number of units developed is not keeping pace, conduct outreach to owners to determine constraints and review the development standards for housing on these sites, including an increase in allowed density from Urban High to Urban High Flex. | Development of housing units tracks with the number of units in the Housing Sites inventory; or, if necessary, General Plan and Ordinance amendments to development standards | Annually (monitoring); December 2027 (outreach and necessary General Plan and SCCC amendments to adjust development standards) | Monitoring effort ongoing. Significant interest in various PF sites. Due diligence and predevelopment work has begun on one major PF site with potential for multi-phase affordable housing project. |
| Program H-3L: Maintain, implement, and update community plans, programs, and initiatives for community preservation and revitalization and displacement protection through place-based improvements in lower resource, lower income and higher poverty areas. | Infrastructure: <u>South County Service Center:</u> Complete tenant improvements by December 2024. <u>Freedom Sewer Rehabilitation Project:</u> Pursue SWRCB grant in 2024 for Phase II of Freedom Sewer Rehabilitation Project, to protect environment, public health, and reduce maintenance and treatment costs. <u>Pajaro River Flood Risk Reduction Project:</u> Break ground in Summer 2024 on Pajaro River levee project, complete in phases over ~5 years. <u>Green Valley Road Multi-Use Trail Improvements:</u> Award contracts by June 2024 and begin construction in Summer 2024. This project creates a 2-mile multimodal corridor for bikes, pedestrians, and transit, improving mobility in an underserved community. <u>Transportation Improvements:</u> Various projects to improve transportation infrastructure in South County and San Lorenzo Valley, two under-resourced areas, according to timelines in Capital Improvement Program. <u>Freedom Boulevard Multi-Purpose Trail Project:</u> Bid and construct bike/ped trail along Freedom Blvd by December 2024. <u>Local Hazard Mitigation Plan:</u> Maintain, implement, and update County LHMP on required schedule to reduce likelihood of displacement due to flooding, sea level rise, and wildfire. <u>Santa Cruz County Parks Strategic Plan 2023:</u> Over next 5 years, implement actions in Strategic Plan to identify disadvantaged communities and prepare a plan to improve County Parks facilities and programs in these communities. <u>Safe Routes to School.</u> Each year, expend \$20,000 of Measure D funding on Safe Routes to School Programs for bike/pedestrian education at schools. | Complete objectives on various projects between 2024 and 2029 as described at left. | Partially Complete. The <u>Sounty County Service Center</u> opened in June 2024. See press release at: https://www.santacruzcountycalifornia.gov/portals/0/county/CAO/press%20releases/2024/South%20County%20Government%20Center_PRS%20RLS.pdf . <u>Freedom Sewer Rehabilitation Project</u> was completed in 2024. <u>Pajaro River Flood Risk Reduction Project:</u> Pajaro River Levee Project broke ground in October 2024. <u>Green Valley Road Multi-Use Trail Improvements:</u> Contracts have been awarded and work has begun, project completion is expected by Spring 2025. <u>Local Hazard Mitigation Plan (LHMP):</u> An update of the LHMP, which was last updated in 2021 and is valid through 2026, is underway. The update will expand the plan to a Multi-Jurisdiction Hazard Mitigation Plan (MJHMP) including the County, all the cities within the County, water districts, the Resource Conservation District, and Cabrillo Community College. The purpose of the MJHMP is to reduce losses and displacement resulting from natural disasters through sustained, long-term actions to protect people, property and the environment. Adoption of the MJHMP Update is projected to occur in March 2026. |

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| Name of Program | Objective | Timeframe in H.E | Status of Program Implementation |
| <p>Program H-4A: Implement actions listed in the “Housing for a Healthy Santa Cruz” Strategic Framework to address homelessness throughout the county. Organize actions in four strategic work areas:</p> <ul style="list-style-type: none">▪ Build a Coalition. Develop a strong and informed action-oriented partnership with leaders and stakeholders within the community.▪ Prevent Homelessness. Use targeted prevention and early intervention housing problem-solving to help people and families keep or return to housing as quickly as possible.▪ Increase Connections. Expand and improve “Front Door” programs and services including outreach, temporary housing and supportive services.▪ Expand Permanent Housing. Increase permanent housing and income growth resources and opportunities to become housed. <p>Utilize the framework to obtain funding for projects utilizing Homekey and other sources to create supportive and temporary housing units in higher resourced areas, such as projects in Soquel, Santa Cruz, and Ben Lomond.</p> | <p>Number of households experiencing unsheltered homelessness will decrease by 50%; progress on other goals described in the Framework.</p> | <p>Complete framework actions by January 2024. In February 2024, update the Framework to, at a minimum, ensure compliance and consistency with federal and state plan requirements and goal alignment with resource availability. Occupancy of units by December 2025.</p> | <p>In Progress and Ongoing. Updated Framework was adopted in 2024 for the 2024-2027 period. https://housingforhealthpartnership.org/Portals/29/hap/pdf/H4_H_Framework_2024-7-v3.1.pdf. Implementation of the Framework is ongoing.</p> |
| <p>Program H-4B: Continue to partner with qualified developers and service providers to seek all available sources of funding for development and/or preservation of affordable housing for special needs households, in partnership with property owners/developers that have a site available for such housing development, and/or for supportive and rehousing services for special needs households, including but not limited to, those listed below. <u>State of California-administered funding programs:</u></p> <ul style="list-style-type: none">▪ CDBG, including CDBG-DR▪ AHSC▪ Joe Serna, Jr. Farmworker Housing Grant Program▪ Infill Infrastructure Grant (IIG)▪ Manufactured Housing Opportunity and Revitalization Program▪ MHP▪ CalHome▪ HOME▪ Homekey Round 3▪ HHAP▪ ESG▪ Housing and Disability Advocacy Program▪ BCSH Encampment Resolution Fund (ERF 1)▪ Bringing Families Home (BHF)▪ Transitional Housing Program/Housing Navigators Program (THP/HNP)▪ California Emergency Solutions and Housing Program (CESH – 18/19)▪ Permanent Local Housing Allocation Program (PLHA) <p><u>Federal (HUD) funding programs available to the local Continuum of Care or the Housing Authority:</u></p> <ul style="list-style-type: none">▪ HUD Continuum of Care Grant Program▪ HUD Unsheltered SNOFO Grant program▪ HUD 202 or HUD 811 grants▪ Project-based Section 8 Vouchers▪ Housing Opportunities for Persons living with AIDS (HOPWA) | <p>State, federal, or other funding awards for local housing projects and special needs programs</p> | <p>Ongoing, when funding opportunities arise that the County or other entities are eligible to apply for. Typically, the County submits multiple funding applications to HCD each year, including an annual PLHA allocation, some of which are successful in obtaining an award. The CoC also typically applies for HUD funding one or more times per year.</p> | <p>Ongoing.</p> |
| <p>Program H-4C: Review land use policies and County Codes related to group homes, community care facilities, transitional housing, emergency shelters (also known as navigation centers or interim housing, including such facilities consisting of multiple emergency sleeping cabins and/or tiny homes with supportive services), and permanent supportive housing, for consistency with recently updated, preemptive state laws.</p> | <p>Completion of review, and if necessary, land use policy and/or code amendments to ensure consistency with state law.</p> | <p>Complete the review by December 2024 and complete code updates by December 2026</p> | <p>In progress. CDI has begun work on this policy project and completion by Dec. 2026 is on track.</p> |

| 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 H-4D: Explore options for increasing the supply and awareness of the supply of permanent, affordable, and accessible housing for people with disabilities, including: <ul style="list-style-type: none">▪ Continue to require developers of County-assisted affordable housing projects to conduct targeted outreach to disabled residents and organizations for marketing, rental and/or sale of ADA-accessible units, and/or maintain separate waiting lists for such units, if allowed by all financing sources for the development, and/or otherwise ensure ADA units are offered first to households that need units adapted for use by people with physical disabilities;▪ Encourage housing developers, including developers of affordable housing projects, to build more ADA-accessible units that meet the needs of physically disabled households, (as well as units accessible for those with sensory disabilities), and to exceed state or federal requirements for accessibility when feasible;▪ Promote universal design and visitability of new or renovated housing units permitted by the County by providing outreach materials on universal design to building permit applicants, and by encouraging discretionary project applicants to incorporate universal design features into their housing projects by adding a question about such features to the application checklist for Development Review Group (DRG) applications, and highlighting such features when presenting projects to the approving body. | Additional accessible and visitable units developed, increased occupancy of such units by residents needing the accessibility features of the specific unit. | Ongoing, add Universal Design to DRG checklist by December 2024 | Ongoing and in progress. |
| Program H-4E: Provide technical assistance with site selection, environmental review, and/or the development review and permitting process, to public or non-profit agencies, including other County departments, or state/ regional agencies, that seek to develop, renovate or expand community care facilities for foster children, transitional housing for young adults aging out of the foster care system, or similar residential care facilities for children and youth in need of special services, in appropriate zones within the unincorporated areas of the County. | Improved coordination with facility developers, increased capacity for special needs children and youth | Upon request | Ongoing. One transitional housing facility for TAY is currently in development with funding and technical assistance from the County. It is expected to break ground in 2025 and be completed by late 2025. |
| Program H-4F: Continue to support housing access and affordability for local seniors by: <ul style="list-style-type: none">▪ Referring seniors seeking rental housing, or seniors seeking a housemate, to the shared housing match program operated by Senior Network Services, or to other comparable shared housing local programs;▪ Encouraging owners of age-restricted MHPs parks and other age-restricted senior housing developments in the County to maintain the legal senior housing status of those properties, and to make improvements where necessary to ensure retention of senior-only status;▪ Supporting the development of multi-family housing projects with small units, such as studios, one- and two-bedroom apartments, including accessible units, in Residential Flex and higher-density multi-family zones, that can meet the needs of seniors as well as younger households, and can add a significant number of affordable or “affordable by design” rental units to the County’s housing stock, providing more housing options for seniors who wish to live in integrated communities with neighbors of all ages;▪ 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;▪ Encourage developers to design multi-generational housing projects such as townhomes or subdivisions with ADUs, or other designs conducive to multi-generational living, so extended families can live together comfortably. | Increased supply of housing units available and affordable to seniors, maintenance of existing age-restricted housing, to the extent feasible/legal. | Ongoing | Ongoing. |
| Program H-4G: Prioritize the use of local affordable housing funds for projects that include housing affordable to extremely low-income and/or special needs households, including affordable housing for farmworkers and their families, as defined in Policy H-4.1 above. Funding streams that can be leveraged with County funds include but are not limited to: USDA multi-family programs, Joe Serna Jr. Farmworker Housing Grants, HUD Sections 811 and 202, Low Income Housing Tax Credits, Homekey, NPLH, Veterans Housing and Homelessness Prevention (VHHP) Program. | Inclusion of new ELI and special needs units, including farmworker housing, in County-assisted housing developments | Ongoing | Ongoing and partially complete. A new 80-unit, 100% lower-income, multi-family rental project (Cienega Heights), including 37 farmworker housing units funded by a Joe Serna grant, was completed in December 2024 and occupied in January 2025. Project is located just outside Watsonville city limits, on Atkinson Lane. The County provided \$3 million acquisition financing and technical assistance to assist development of this project. |

| 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 H-5: Research the feasibility of expanding electrification requirements to all new residential construction throughout the county. | Summary of feasibility findings | December 2024 | In Progress. CDI, Santa Cruz County Office of Response, Recovery, and Resilience, and AMBAG are working together to develop and provide trainings on reach codes, incentives, and educational trainings in support of building electrification. |
| Program H-6A: Collaborate with the County Agriculture Commissioner, local growers, farmworker housing providers, and other interested parties to promote the maintenance and development of various types of farmworker housing by participating in regional farmworker housing collaboratives, such as that convened regularly by the Monterey Bay Economic Partnership (MBEP), that includes stakeholders such as agricultural property owners, lessee farmers, agricultural employees, agricultural product processors, funders, public sector representatives, and housing developers, to discuss options and pathways for developing farmworker housing in the region. (See also Programs H-4B and H-4G and Policy H-4.3 regarding funding and policy for affordable farmworker housing developments.) | Development of additional on-farm and/or unsubsidized farmworker housing units in the unincorporated area, increased awareness of updated County codes and available sites for farmworker housing. | Ongoing. MBEP group meets quarterly. | Ongoing. One small on-farm farmworker housing project is currently in pre-development by the Land Trust, consisting of four RV pads with hook-ups that will be rented to farmworkers by the Land Trust on their South County property. The RVs will be leased to local growers for berry farming and related ag uses. |
| Program H-6B: Coordinate with local employers, business groups, environmental and housing advocacy groups, H4H, other public agencies, commissions, civic and neighborhood groups to build public understanding and support for development of new workforce, affordable, and special needs housing units, much of which must, due to the very limited supply of developable land within the urbanized areas of the County, consist of higher-density, multi-family housing, such as apartments or condominium buildings of three or more stories. The Housing Element identifies additional multi-family housing capacity in higher resource, higher income and concentrated areas of affluence as part of actions to enhance housing mobility (housing choices and affordability) in these areas. Seek to build greater understanding of other issues related to housing, such as the connections between inadequate housing supply, housing cost burdens, inadequate local workforce, and homelessness, and the connections between sustainability, climate adaptation and resilience, and infill development strategies. Partner with these local partners and groups to increase awareness of available housing programs, including local, regional, state, and federal housing programs for low- and moderate-income households, those with special needs, and/or homeless residents. | Development of a community awareness and engagement plan to implement this program. | Ongoing, by December 2026 (development of plan) | Ongoing. |
| Program H-6C: Meet regularly with fair housing advocates in the region, to the extent they are available, such as CRLA, Project Sentinel, Watsonville Law Center, or others, to collaborate, share data, and explore how the County, cities, Coastal Commission staff, special districts, and other local agencies involved in development review, land use planning or regulation, permitting, housing finance, and/or development and operation of housing in the region, can support and affirmatively further fair housing in Santa Cruz county and the Monterey Bay region. Request AMBAG assistance in convening such meetings, or to offer training on fair housing to staff of AMBAG member agencies and regional regulatory agencies involved in land use policy and/or regulation. | Meetings with fair housing advocates and/or attendance at AMBAG or comparable fair housing training events | Biennially | Ongoing coordination with legal aid providers occurs on as needed basis. Meetings and trainings occur during annual affordable housing month or comparable events. |
| Program H-6D: Continue to 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. | Updated regional MTP/SCS | 2026 and every four years thereafter | In progress. AMBAG is working with the region's jurisdictions to update and evaluate the various performance measures, project lists, and data to develop the 2050 MTP/SCS, which is expected to be adopted in June 2026. |

| 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 H-6E: Seek the cooperation of local cities, particularly one or both of the existing CDBG entitlement cities (Santa Cruz and Watsonville), as well as one or more of the smaller cities within the county, to evaluate the pros and cons of forming a “CDBG Urban County15” and/or “HOME Consortium”, which could result in significantly increased annual federal funding for affordable housing and community development activities, including funding for homeless assistance programs, across the county as a whole, as well as other non-monetary benefits of such an approach, such as increased access to technical assistance programs, networking and partnership opportunities, and better leveraging of local resources. Depending on the results of the evaluation, adopt required resolution(s) to approve partnership agreements with one or more cities and submit the required CDBG Urban County application to HUD as soon as possible thereafter. | Report to Board of Supervisors with results of evaluation, and (if applicable), Board and Council resolutions to form an Urban County partnership submitted to HUD. | Complete evaluation by 2025 | Pending. |
| Program H-6F: Continue to work with the Coastal Commission to achieve a prompt and positive outcome related to the Sustainability Update. | Coastal Commission Approval of the Sustainability Update by February 2024 | February 2024 | Completed and in effect by March 2024. |

| | | | |
|-------------------------|------------------------------------|---|--|
| 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 Cells in grey contain auto-calculation formulas |
| Reporting Period | 2024 (Jan. 1 - Dec. 31) | | |

**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; Declared surplus land 6/23/2023 |
| 042-151-31-0000 | 105 Esplanade | Vacant | 0 | Surplus Land | 0.06 | Declared surplus land 8/22/2023 |

| | | |
|----------------|------------------------------------|--------------------|
| Jurisdiction | Santa Cruz County - Unincorporated | |
| Reporting Year | 2024 | (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 | | Total award amount is auto-populated based on amounts entered in rows 15-26. | | |
|--|-------------------|---------------------------------------|--|--------------------|-------|
| Task | \$ Amount Awarded | \$ Cumulative Reimbursement Requested | Task Status | Other Funding | Notes |
| 1- Administrative costs | \$18,153.00 | \$17,539.88 | Completed | None | |
| 2- Built Environment Element | \$26,117.00 | \$26,116.98 | Completed | None | |
| 3- Access + Mobility Element | \$8,955.00 | \$8,955.22 | Completed | None | |
| 4- Residential and Mixed-Use Standards | \$37,241.00 | \$37,241.07 | Completed | None | |
| 5- Countywide Design Guidelines | \$21,929.00 | \$21,929.01 | Completed | None | |
| 6- Permit Process Code Modernization | \$19,095.00 | \$19,095.43 | Completed | None | |
| 7- ADU Ordinance Update | \$23,086.00 | \$23,085.84 | Completed | Local General Fund | |
| 8- Res. Growth Forecasting/Opportunity Sites | \$4,232.00 | \$4,231.98 | Completed | None | |
| 9a- Hwy 1 Over-Crossing Study | \$150,376.00 | \$150,376.09 | Completed | None | |
| 9b- Active Transportation Plan | \$7,870.00 | \$7,870.16 | Completed | Other | |
| 10- Supportive Housing Code Updates | \$4,761.00 | \$3,851.98 | Completed | None | |
| 11-Public Outreach | \$55,879.00 | \$56,049.68 | Completed | None | |
| 12 - Public hearings | \$25,440.00 | \$25,439.73 | Completed | None | |
| 13 - Board Adoption | \$34,751.00 | \$34,751.26 | Completed | None | |
| 14 - Coastal Coordination | \$34,910.00 | \$34,551.73 | Completed | None | |
| 15 - Implementation | \$27,205.00 | \$28,913.96 | Completed | Local General Fund | |
| | | | | | |

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 | 6 |
| Moderate | Deed Restricted | 3 |
| | Non-Deed Restricted | 2 |
| Above Moderate | | 27 |
| Total Units | | 38 |

| Building Permits Issued by Affordability Summary | | |
|--|---------------------|--------------|
| Income Level | | Current Year |
| Very Low | Deed Restricted | 9 |
| | Non-Deed Restricted | 0 |
| Low | Deed Restricted | 0 |
| | Non-Deed Restricted | 54 |
| Moderate | Deed Restricted | 1 |
| | Non-Deed Restricted | 49 |
| Above Moderate | | 34 |
| Total Units | | 147 |

| Certificate of Occupancy Issued by Affordability Summary | | |
|--|---------------------|--------------|
| Income Level | | Current Year |
| Very Low | Deed Restricted | 42 |
| | Non-Deed Restricted | 0 |
| Low | Deed Restricted | 42 |
| | Non-Deed Restricted | 49 |
| Moderate | Deed Restricted | 0 |
| | Non-Deed Restricted | 28 |
| Above Moderate | | 27 |
| Total Units | | 188 |

Exhibit C
County Plans Supporting Lower-Income Housing

This Exhibit is provided in response to the Board's December 10, 2024 request for more information about the County's plans and efforts to support development of lower-income housing. It also includes a brief overview of recent accomplishments related to lower-income housing.

The County has two primary ways to support the development and preservation of lower-income housing:

- 1) Regulatory approaches, primarily through its land use planning and development review functions, including its zoning and related development codes, and its General Plan, including the Housing and Land Use Elements; and
- 2) Direct funding (subsidy) of affordable housing projects and programs, primarily through the Housing Section of the Planning Division, which administers the housing assets of the former Redevelopment Agency, and through the Housing for Health Division of the Human Services Department, also known as the administrative entity for the Continuum of Care.

A brief overview of each approach to supporting an adequate supply of units affordable to lower-income households, including recent accomplishments and current efforts, is provided below.

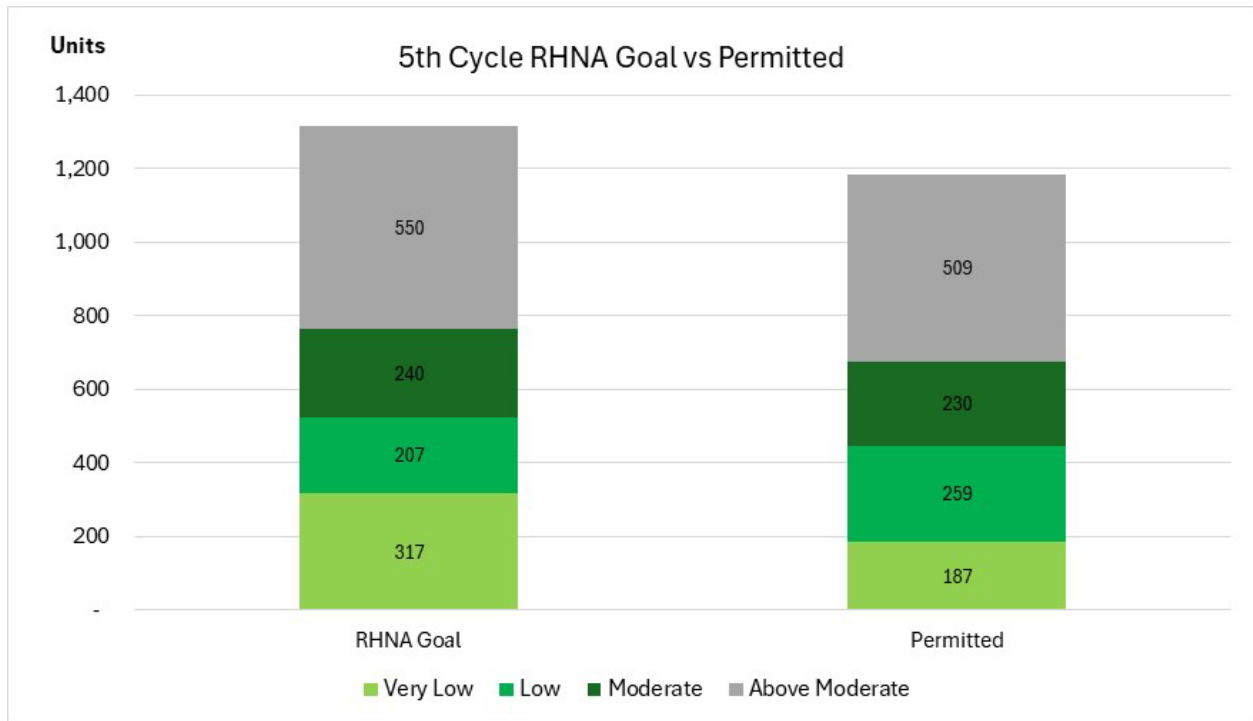
1) Regulatory Approaches: Focus on Housing Element, Sustainability Update, County Codes

Accomplishments of Prior Housing Element Period (5th Cycle)

Santa Cruz County had considerable success in meeting its affordable housing goals during its prior (5th) Housing Element cycle, which covered the period from 2015 to 2023. During this period, which included the last few years of the 2008 recession, and four major federally declared disasters that created significant challenges for the housing industry (the COVID19 pandemic, CZU Fire, and the 2017 and 2023 Storm Disasters), the County permitted 1,185 housing units, or 93% of its Regional Housing Needs Allocation (RHNA) goal of 1,314 units. As shown in Figure 1 below, more than half of the total units permitted in the past cycle (57%) were affordable units, while just 43% were Above-Moderate income units. Thirty-eight percent (446) of the total units permitted in this period were lower-income units, ranging from Extremely Low- to Low-Income affordability.

Exhibit C
County Plans Supporting Lower-Income Housing

Figure 1: 5th Cycle RHNA Accomplishments: Unit Goals vs. Units Permitted



| Income Level | RHNA Goal | Permitted | % of Goal Permitted | % of Total Units Permitted by Income Level |
|----------------|--------------|--------------|---------------------|--|
| Very Low | 317 | 187 | 59% | 16% |
| Low | 207 | 259 | 125% | 22% |
| Moderate | 240 | 230 | 96% | 19% |
| Above Moderate | 550 | 509 | 93% | 43% |
| Total | 1,314 | 1,185 | 93% | 100% |

Regulatory Changes during the 5th Cycle

During the 5th Cycle, the County modernized its major land use policies, primarily through the Sustainability Update, and related code and policy updates, to make housing development in general, and especially affordable housing development, more feasible and more environmentally sustainable. These policy efforts included the Sustainability Update (2022), the Public Facility, School Employee and Farmworker Housing Ordinance (2018), updates to the density bonus and inclusionary zoning codes (2018), the ADU code updates and Permanent Room Housing (PRH) Combining District (2020), and Tiny Homes on Wheels Ordinance (2022). All of these policy updates support the development of smaller affordable by design and affordably by subsidy units, primarily on infill sites, and support housing going vertical, rather than sprawling over more acres of farmland and open space. Much of the content of the Sustainability Update also supports the

Exhibit C
County Plans Supporting Lower-Income Housing

feasibility of such projects by ensuring that infrastructure planning is also done to provide all necessary wet and dry utilities, as well as community facilities like schools, services and safety, for these projects.

During the same period, the state enacted hundreds of laws to address California's housing crisis and improve the feasibility of developing new housing, especially affordable, lower-income housing. This large volume of recent state legislation includes multiple bills updating ADU and density bonus state law, and many "streamlining" bills intended to streamline the development review and permitting process and make land use policy more conducive to sustainable development. Notable bills include Senate Bill (SB) 35/423, Assembly Bill 2011, SB 330, and SB 9 and SB 10, which allow infill multifamily housing, including "missing middle" housing, as well as larger apartment projects.

Current Policy Efforts: 6th Cycle Housing Element: 2024 - 2031

The 6th Cycle Housing Element, adopted in late 2023, is driven by two guiding principles: facilitating the development of new housing; and affirmatively furthering fair housing (avoiding unlawful discrimination in its housing and land use policies and programs). The County's housing development goal is driven by the RHNA, a goal issued by the State requiring the County's zoning and land use plans to accommodate a minimum number of new housing units, divided into four income levels. In order to meet its current RHNA goal of 4,634 units, a rezoning program was necessary because the County's zoning and land use plans, combined with the remaining vacant/underutilized sites, had inadequate capacity to meet its RHNA goal.

The RHNA does not require the County to build housing itself, or to provide funding for its development. The County's primary responsibility under state housing element law is to ensure that its zoning, land use plans, and policies provide adequate capacity for housing development, and by removing regulatory barriers to housing production.

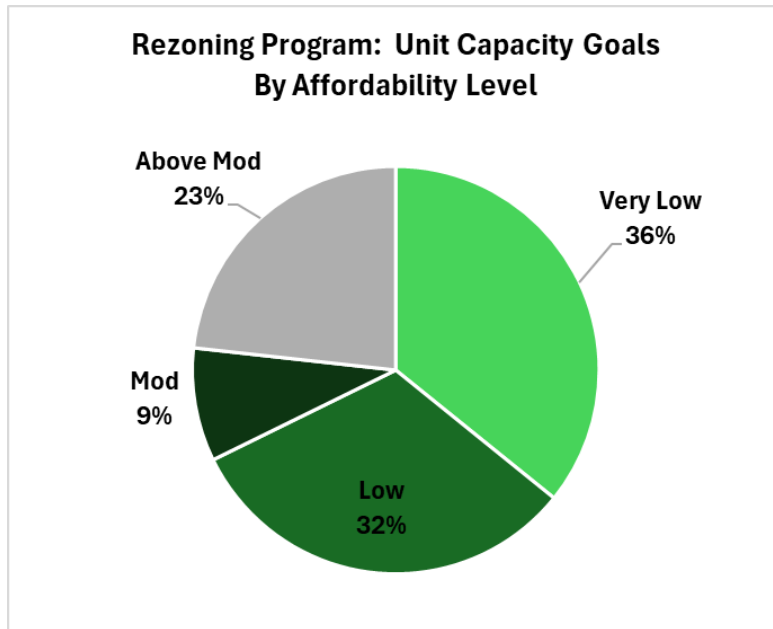
Current Rezoning Program

The 2023 Housing Element sites inventory analysis estimated the total housing unit capacity under the County's current zoning and land use plans across the unincorporated areas of the county. That analysis determined that existing capacity was not adequate to meet the RHNA, although much of the RHNA, including for lower- and moderate-income housing, was already accommodated through existing zoning and land use plans. To address the identified shortfall, a rezoning program was developed as prescribed by state law to create additional capacity where the remaining units could be developed. The rezoning program focused particularly on creating significantly more capacity for higher density housing, such as apartments and condominiums, which housing element law, known as the "Mullin densities," assumes will be more affordable by design than large-lot single family homes. Most affordable housing developers in recent decades rely on obtaining sites zoned to allow at least 20 or 30 units per acre. Lower densities than that

Exhibit C County Plans Supporting Lower-Income Housing

are generally not financially feasible for affordable housing development. The rezoning program included in the 2023 Housing Element provides a target of rezoning and general plan amendments to additional capacity of more than 2,100 units. More than three-quarters, or 77% of this additional capacity, is for affordable units, as shown in Figure 2 below. Approximately 68% of this new capacity is for lower-income units. Having this significant amount of land zoned for the higher densities needed by affordable and multi-family housing developers is one of the most important mechanisms for improving housing affordability and supply, particularly for lower-income units, including those in the extremely low-, very low-, and low-income categories, in the County.

Figure 2: Rezoning Program Goals by Income Level



| Income Level | Very Low | Low | Mod | Above Mod | Total |
|---|----------|-----|-----|-----------|--------------|
| Unit Capacity (Goal) | 767 | 684 | 193 | 498 | 2,142 |
| Percent of Total | 36% | 32% | 9% | 23% | 100% |
| Batch A: completed Dec 2024 | 382 | 315 | 59 | 113 | 869 |
| Batch B: Pending, to be completed in 2025 | 385 | 369 | 134 | 385 | 1,273 |
| <i>Total Affordable Unit Capacity (Lower & Mod)</i> | 1,644 | 77% | | | |
| <i>Total Lower-Income Unit Capacity</i> | 1,451 | 68% | | | |

In 2024, shortly after adoption of the 2023 Housing Element, the County began to implement the rezoning program. To make it more manageable, the list of parcels proposed for rezoning was split into two “batches.” The Zoning and General Plan map amendments for Batch A were adopted by the Board of Supervisors on December 10,

Exhibit C

County Plans Supporting Lower-Income Housing

2024, and are now in effect. County staff is now preparing to bring Batch B materials to the Planning Commission and Board in Spring of 2025. Completion of the entire rezoning program will provide the most effective and significant way to incentivize development of new units affordable to lower- and moderate-income households. The rezoning of Batch A has already enabled several subsidized housing projects to launch into predevelopment and/or design phases.

Policies and Programs Supporting Lower-Income Housing Development

State Housing Element law was created in 1969 primarily to require California cities and towns to support, rather than oppose or obstruct, development of multi-family housing, rental housing, and lower-income housing. The law responded to land use policy and development trends at the time, where many communities resisted the development of affordable, higher density, rental and/or subsidized housing in their towns and cities by enacting exclusionary, large-lot, lower-density and/or single-family zoning, and regulations to limit affordable housing development due to local opposition. Since 1969, housing element law has been amended numerous times to focus even more directly and create more enforceable mechanisms to ensure that local land use policies support, rather than obstruct, the development of adequate lower-income housing to meet each community's needs for such housing supply.¹

Consistent with the focus of the state law on supporting affordable, lower-income housing development, much of the County's 2023 Housing Element also focuses on making lower-income development more feasible through land use planning, as described above, and through numerous policies and programs that support such planning efforts. These policies and programs were developed through a robust community engagement process that the County undertook throughout 2023, with several community focus groups including affordable housing developers, market-rate developers, other local stakeholders of various types, and residents in need of affordable housing. Many of the County's policies and programs most directly related to lower-income housing are listed under Goals H-1 and H-3 of the 2023 Housing Element:

- *Goal H-1: Facilitate Development of New Housing, Primarily in Infill Areas.* This goal aims to increase housing production for all income levels, with particular priority given to affordable housing projects (e.g., Policy H-1.6: Priority Processing, and Program H-1B and H-1C, Rezoning Program and Ministerial Combining District).
- *Goal H-3: Facilitate the Development of Affordable and Equal Opportunity Housing.* Specific efforts supporting production of lower-income housing are described under this goal. These policies and programs focus on both financing for affordable housing (Policy H-3.4) and ensuring higher-density zoning is available to facilitate

¹ https://abag.ca.gov/sites/default/files/rhna_background.pdf

Exhibit C
County Plans Supporting Lower-Income Housing

the development of affordable housing (Policy H-3.3: Maintenance of Adequate Housing Sites; Policy H-3.7: Do not Allow Development of Single-Family Homes in Multi-Family Residential Zones). Additional efforts to maintain and improve the quality and affordability of existing housing stock are included under Goal H-2.

The Housing Element programs and policies excerpted below support development of lower-income housing within the unincorporated County. A brief summary of each program is provided below, and the complete text of each program is available in Chapter Two of the Housing Element ([Chapter 4.2 of the General Plan](#)). A list of all these programs with current status updates is available in Table D of the Housing Element APR.

- **Program H-1B:** The rezoning program to accommodate the RHNA goals. State law requires that sites zoned for lower-income units allow “by-right” or ministerial processing (see H-1C below), and allow densities of at least 20 units per acre.
- **Program H-1C:** Develop the Ministerial (-Min) Combining District to permit multi-family housing by right (ministerially) for developments with 20% or more lower-income units, and rezone seven commercial parcels into the -Min district. Each site can accommodate more than twenty units at densities of 22-45 units per acre, with a total estimated capacity of at least 200 units.
- **Program H-1E:** Rezone opportunity sites to Residential Flex (RF) zoning and increase densities on current RM-zoned sites to densities of 20 units or more per acre.
- **Program H-1F:** Update multi-family development standards and increase heights at key intersections and activity centers to accommodate more housing near transit in urban multi-family and mixed-use zones.
- **Program H-1J:** Rezone 40 parcels per SB 10, which allows jurisdictions to rezone properties for up to 10 units without review under CEQA, to implement much needed “missing middle” housing into existing neighborhoods, including low-rise apartment and townhouse units (duplexes, triplexes, and quadplexes) within low-density infill neighborhoods.
- **Program H-3A:** Use of County Affordable Housing Impact Fee (AHIF) revenues to assist development of new deed-restricted, generally lower-income, affordable rental units.
- **Program H-3B:** Collaboration with affordable housing developers to promote development of a variety of housing types, including units for Extremely Low-Income households.
- **Program H-3C:** Seek documentation from local utility districts to verify their compliance with state law that requires that all public sewer and water providers provide priority to, and retain sufficient capacity for, lower-income, affordable housing projects built within their service areas.

Exhibit C
County Plans Supporting Lower-Income Housing

- **Program H-3H:** Commission a new nexus study and evaluation of the County's inclusionary housing program (aka "Measure J") codified in County Code Chapter 17.10. The study would evaluate various aspects of the program and recommend updates, including possible updates to the Affordable Housing Impact Fee (AHIF) rates and fee structure, changes to inclusionary requirements per Program H-3J, affordability levels, and harmonizing the program with State density bonus law.
- **Program H-3J:** Modify inclusionary housing requirements in SCCC Chapter 17.10 to require 15% of all units developed in residential rental projects provided as affordable ("Measure J") units.
- **Program H-3K:** Continue to work with owners of Public Facility (PF) zoned sites to facilitate 100% affordable lower-income housing, and/or employee housing projects.
- **Program H-1D:** Update density bonus code (SCCC Chapter 17.12) to ensure consistency with current state density bonus law and provide additional policy incentives, including encouraging inclusion of extremely low-income units.
- **Program H-1K:** Provide priority processing for projects of seven or more new units with at least 15% lower-income, or 25% moderate-income units, and/ or projects to substantially rehabilitate 10 or more subsidized rental units.

2) Direct Funding Approaches: Local Subsidies and Technical Assistance

The County has been providing significant funding and in-kind support for affordable, mostly lower-income housing development for more than thirty years. Most of the direct funding in prior decades was available through the County's former Redevelopment Agency, in the form of what was then called tax increment revenue, from local property taxes in the County's redevelopment project areas, and the "Housing set-aside" portion of that revenue. The recycled funds from the prior Housing set aside are now known as the Low-Moderate Income Housing Fund. Governor Brown dissolved all redevelopment agencies in 2011. The housing function of the County serves as the "Housing Successor" to the prior Redevelopment Agency. Annual reports prepared by County staff, which are attached to the Annual APR and sent to HCD each year, describe annual expenditures of Low-Mod Housing funds. The vast majority of these support development of lower-income rental units, focusing on very low and extremely low units. These reports are available on the County's website.² In the past five years, 32% of the over \$9.4 million in County Low-Mod funds expended, or slightly over \$3 million, was spent to assist development of housing for extremely low-income (ELI) households.

Many affordable housing developments, including rental and homeowner units and mobile home parks across the county now provide quality housing to local residents because of the funding and in-kind support they received from the County, mostly through its former Redevelopment Agency, and since 2012, through the County as Housing

² <https://cdi.santacruzcountyca.gov/Planning/Housing/HousingResources/HousingSuccessorAgencyReports.aspx>

Exhibit C
County Plans Supporting Lower-Income Housing

Successor to the former RDA. A map of affordable rental projects completed and in development is on the CDI Housing website.³ Most County funding provided to date for such projects has supported the development of lower-income rental units and lower-income housing in mobile home parks. The table below lists current, 100% affordable, lower-income, subsidized housing projects in development or recently completed. All but one of these has received or been conditionally awarded financing and in-kind support from the County. This list does not include additional affordable projects on the horizon in the early planning stages (due diligence, acquisition), but have not yet requested County financing or submitted any development applications to the County.

100% Affordable, Lower-Income Housing Projects Pipeline and Recent Completions:

| Project & Developer Name | # and Type of Units | | Location | Status |
|--|---------------------|---------------------------|--|-------------------------|
| Park Haven Plaza * 2838 Park Ave LP | 36 | Rental (ELI) | 2838 Park Ave, Soquel | In construction |
| Freedom House Transitional * CFSC | 11 | Transitional Rental (ELI) | 2716 Freedom Blvd, Watsonville | Construction to in 2025 |
| 41st and Soquel Linc Housing/The Pacific Communities | 256 | Rental (ELI) | 2755 41 st Ave, Soquel | Predevelopment |
| Anton Solana * Anton Development / Pacific Housing | 183 | Rental (ELI to Low) | Corner of Thurber Ln and Soquel Dr, Soquel | Predevelopment |
| Green Valley Rd * MidPen Housing | 60 -120 (TBD) | Rental (TBD) | 578 Green Valley Rd, Watsonville | Predevelopment |
| Bienestar Plaza * MidPen Housing | 57 | Rental (ELI to Low) | 1520 Capitola Rd, Santa Cruz | Completed 2023 |
| Cienega Heights * MidPen Housing | 80 | Rental (ELI to Low) | Brewington Ave, Watsonville | Completed 2024 |
| Rodeo Creek Court * Habitat for Humanity | 11 | First-Time Buyer (Low) | Harper St, Santa Cruz | Completed 2024 |
| Total 694 to 754 Units | | | | |

* Project has received or has been conditionally committed County funding.

³ <https://cdi.santacruzcountycalifornia.gov/Planning/Housing/CountyHousingProjects.aspx>