


## **ATTACHMENT 2**



## **ATTACHMENT 3**



# County of Santa Cruz

## BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069

(831) 454-2200 FAX: (831) 454-3262 TDD: (831) 454-2123

JANET K. BEAUTZ  
FIRST DISTRICT

ELLEN PIRIE  
SECOND DISTRICT

MARDI WORMHOUDT  
THIRD DISTRICT

TONY CAMPOS  
FOURTH DISTRICT

MARK W. STONE  
FIFTH DISTRICT

AGENDA: 9/14/04

September 7, 2004

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

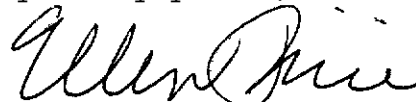
RE: APPOINTMENT TO HOUSING ADVISORY COMMISSION

Dear Members of the Board:

I recommend the appointment of the following person to the Housing Advisory Commission in accordance with County Code Section 2.94.030, for a term to expire April 1, 2005:

Anthony J. "Bud" Carney  
3.47 Arthur Avenue  
Aptos, CA 95003  
688-3168 (H)  
818-8914 (B)

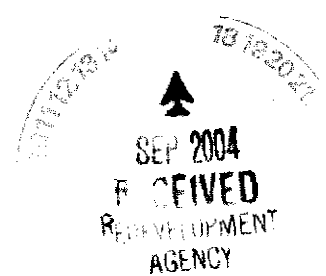
Very truly yours,

  
ELLEN PIRIE, Supervisor  
Second District

EP:ted

cc: Bud Carney  
✓ Housing Advisory Commission

1952A2



**APPOINTED**  
9/14/04

## **ATTACHMENT 4**

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
Division of Housing Policy Development

1800 Third Street, Suite 430  
P O Box 952053  
Sacramento, CA 94252-2053  
(916) 323-3177  
FAX (916) 327-2643



June 7, 2004

Mr. Tom Burns  
Planning Director  
Santa Cruz County  
701 Ocean Street, Suite 310  
Santa Cruz, California 95060

Dear Mr. Burns:

**RE: Review of Santa Cruz County's Revised Draft Housing Element**

Thank you for submitting **draft** revisions to Santa Cruz County's housing element received for our review on **April 8, 2004**. The Department of **Housing and Community** Development (Department) is required to review draft housing elements and report our findings to the localty pursuant to Government Code Section 65585(b). We have also received and considered third party comments from California Rural **Legal Assistance, Inc.**, pursuant to Government Code Section 65585(c). A May 19, 2004 meeting with you, and Messrs. **Mark** Deming, Assistant Planning Director, and **Erik** Schapiro, Redevelopment Agency, and Ms. Julianne Ward, staff planner, along with follow-up telephone conversations during June 2004 with Mr. Deming and Ms. Ward, helped facilitate the review.

While the element addresses **some** of the statutory requirements described in the Department's August 8, 2003 review, the following requirements still need to be addressed in order for the element to comply with **State** housing element law (Article 10.6 of the Government Code). Specifically, it is critical the element's **land** inventory and **analysis** clearly demonstrate the supply of available, **suitable**, and appropriately zoned sites (vacant and/or underutilized) is sufficient to accommodate the County's remaining regional housing need, including an emphasis on development opportunities for moderate- and lower-income households. In addition, to demonstrate the County's commitment to address the current and projected housing needs for the unincorporated County, a number of programs still need to be strengthened and expanded. These and other revisions are **more** fully described below.

**A. Review and Revision**

*Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element (Section 65588(a) and (b)).*

The draft revisions evaluate the effectiveness of Programs 9 and 35, as specified in our August 8, 2003 review.

Mr Tom Burns

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However, the element Still needs to describe and analyze the results and effectiveness of Program 20 (Coordination with New Community Housing Program Initiatives). As discussed with Mr Deming and Ms. Ward, the element should include more substantive information about the importance and outcomes of "Action Pajaro Valley" as referenced in Program 20.

## **B. Housing Needs, Resources, and Constraints**

1. *Include an analysis and documentation of housing characteristics, including housing stock conditions (Section 65583(a)(2)).*

While the draft revisions indicate that replacement and rehabilitation may be more prevalent in areas such as the San Lorenzo Valley, Live Oak, Soquel, and Aptos, the element still does not provide an estimate of housing rehabilitation and replacement needs (see our prior review). This information is necessary to assist the County in developing appropriate housing policies and in prioritizing funding resources.

2. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites [Section 65583(a)(3)].*

Existina Sites: The element's revised land inventory analysis (pages 120-130) has been expanded to include general information about vacant and underutilized residential and commercially zoned areas along with descriptions of the potential buildout methodologies. As discussed with you and your staff, Table 4.6.2 @ages 122-123) reflects only a summary of potential "strategies", rather than an inventory of appropriately zoned, available, and suitable sites. As indicated in our August 8, 2003 review, the element must clearly demonstrate how the identified vacant and underutilized residential and commercial sites listed in Appendices "A" and "B" can realistically achieve the residential development capacities as described in Table 4.6.2, and, in turn, accommodate Santa Cruz County's remaining regional housing need, within the planning period of the element. More specifically, the land inventory analysis should relate its summary information to specific sites and also demonstrate through this requisite analysis the adequacy of existing sites/parcels and whether the proposed program actions are sufficient to encourage and facilitate the development of the identified sites. For example, describe how the projected unit capacity listed in Table 4.6.2 tau be achieved and, in turn, accommodate the development of 538 very low- and 458 low- income units (sub total) as indicated on page 123.

According to the element, the County has sufficient capacity within the urban services boundary to accommodate the additional development of 4,931 residential units (page 124). Due the limited supply of available and suitable vacant residentially zoned sites, the element reflects a strong reliance on underutilized residential and commercial sites to accommodate the County's remaining regional housing need, the element should assess whether the projected site capacity can be realistically achieved within the planning period. For example, the element should be expanded to describe the County's experience in facilitating the development of underutilized sites, including current market conditions, redevelopment trends, and any incentives to encourage the development of underutilized sites. Where there are active uses, the element should discuss the viability of these sites being redeveloped for residential purposes.

Mr. Tom Bums

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Also, as discussed with your staff and stated in our prior review, application of density bonus provisions (or Measure J/inclusionary provisions) can not be relied upon, independent of development standards, to estimate projected development capacity in the element's land inventory (e.g., the 227 low- and 170 moderate-income units listed on page 125). To assist in addressing the adequate sites statutory requirement, we will provide your staff with examples of the thorough and complete land inventories and analyses (via facsimile transmission).

**Program Projections:** In addition to the "feasible" buildout projection of 7,375 units, the revised element acknowledges that development of another 1,050 residential units (764 lower-income units) is dependant on successful implementation of proposed programs. The element's land inventory analysis should be expanded to explain the relationship between the projected development capacity listed in Table 4.6.2 (page 123) and the County's commitment to implement the referenced programs. For example, the element must show a clear link between the proposed program strategies, including implementation timeframes listed in Table 4.6.2, (i.e., designation of HAC sites, and/or analysis of "H" sites), the program objectives (i.e., number of units), and the sites listed in Appendices A and B.

Further, given high land and construction costs in Santa Cruz County, the element's inventory analysis must clearly indicate how densities of 14.5 to 17.4 dwelling units per acre (in the RM-2.5, RM-3 and RM-4 zones) are sufficient to provide realistic residential development opportunities for lower-income households. The analysis should also describe whether development of higher density zoned sites is actually occurring at the maximum allowable density. If the analysis determines multifamily zoned sites are in fact not being buildout at the projected densities, in order to attain the requisite capacity, the element should be expanded to include a program that commits the County to playing a more active role to ensure all remaining high density zoned sites will be efficiently utilized (e.g., adopt a minimum density policy/program). Please refer to page 3 of the Appendix in our prior review,

As discussed with you and your staff during our May 19, 2004 meeting, the County's RHNA can be reduced by the number of new units approved and constructed as part of the McGregor, Vista Verde, Pajaro Lane, McIntosh, San Andreas, and Marmio projects. However, to credit units towards the County's low- and moderate-income regional housing need, the element must demonstrate how the approved units are affordable to lower-income households, including any financial subsidies used as well as the resulting sales price and/or rent levels.

- **Coastal Development Permit:** The draft revisions now include a brief description of the implementation framework of the County's adopted Local Coastal Program (LCP), along with the additional siting and approval criteria for areas designated "Rural Scenic Resource" (pages 104-105). However, as indicated in our prior review, the element should also identify which sites in the parcel inventory are subject to LCP permit approval.



Mr. Tom Bums

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Visitor Accommodations and Conversion of Transient Occupancy to Permanent Housing: According to Ms. Ward, the County has adopted an ordinance to facilitate the conversion of RV parks from temporary uses to permanent housing. The element should describe how these units will be made available as permanent housing.

3. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 (Section 65583(a)(4)).*

Land-Use Controls: The revised draft element now includes summary descriptions of the urban and rural land-use controls (pages 90-91). However, as discussed with Ms. Ward, the element still needs to clarify which of the parcels identified in the land inventory (Appendix A) are subject to which standards.

On- and Off-Site Improvements: The element was not revised to address the statutory requirement (see our prior review). As discussed during our June 4, 2004 phone call, Sample analyses will be provided to your staff (via facsimile transmissic n).

Permit Processing: The revised draft element indicates the County's permit processing requirements may in fact pose a constraint to the cost and supply of housing, especially when compared to ministerial processing (page 98). We commend the County for understanding the importance of the public participation process. However, pursuant to the statute, when a constraint is identified, the element must include a programmatic action to remove or mitigate the identified constraint. For example, the element could include a program action that commits the County to continue to working with local developers to incorporate changes to improve and streamline the review and approval process for multifamily projects, particularly multifamily rental projects that include units that are affordable to lower-income households.

Constraints on Housing for Persons with Disabilities: The revised draft includes a brief description of the County's efforts to increase disabled access and visitability and indicates a reasonable accommodation (RA) ordinance is now included in County Code. Keep in mind that the RA process should not be limited to the installation of accessibility improvements, but should also address procedures for the approval of group homes, ADA retrofit efforts, an evaluation of the zoning code for ADA compliance or other measures that provide flexibility in the development of housing for persons with disabilities. As indicated in our prior review, the element needs to be expanded to include an analysis of the potential governmental constraints on the development, maintenance, and improvement of housing for persons with disabilities and include programs to address any identified constraints. Also, if necessary, the County should take steps to modify its definition of a "family" unit so as not to preclude the establishment of group homes in residential zones.

Mr. Tom Burns  
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Lastly, indicate if the County imposes a fee for RA requests and if these requests are limited to the person with the disability. To assist the County in addressing this statutory requirement, technical assistance materials and sample analyses will be provided to your staff (via facsimile transmission).

4. *Analyze my special housing needs of the elderly (Section 65583(a)(6)).*

- .\*- The revised draft now includes tenure information for large family households. However, tenure information for the elderly (as provided to County staff) was not included. Again, this information is important as it will assist the County in developing appropriate housing policies and in prioritizing housing resources for the senior residents living in the unincorporated area (see our prior review).

**B. Housing Programs**

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)).*

Absent a complete land inventory, it can not be determined whether the proposed programs for additional residential site capacity are sufficient to adequately accommodate the County's remaining regional housing need. As indicated in Section B.2 of this letter, the County is relying on the successful implementation of a number of housing assistance programs and strategies to accommodate its remaining regional housing need within the planning period. Therefore, it is paramount the applicable programmatic actions (as described in Table 4.6.2) demonstrate the county is committed to implementing each action in a timely manner (as early as possible within the planning period) and monitoring and reporting on the results on an annual basis.

Emergency Shelters and Transitional Housing: As indicated in our prior review and discussed with Mr. Deming and Ms. Ward, the element has not yet been revised to identify sites or zones where emergency shelters and transitional housing are allowed as a permitted or conditional use and describe how the County's applicable conditions of approval encourage and facilitate the development of emergency shelters and transitional housing. This analysis must be included in the element.

While the programs which commit the County to "expanding live/work mixed use development" (page 154) and "promoting dwelling groups" (page 19) were expanded and clarified, no substantive changes were made to the other adequate sites programs identified in our prior review. The following programs still need to be revised and strengthened to comply with the above cited statutory requirement:

- Mixed-Use Housing Incentives (page 153)
- Second-Unit Incentives (page 154)
  - Reduce Capital Improvement Fees for Second Units (page 155)
- Review Commercial and Industrial Land for Residential Suitability (page 157)

Mr. Tom Bums

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2. *The housing element shall contain programs which "assist in the development of adequate housing to meet the needs of low- and moderate-income households (Section 65583(c)(2)).*

While some of the programs described on page 8 of our prior review have been strengthened and expanded, the following programs still need to *be* expanded to demonstrate **stronger** commitment by **the** County to assist in the development of housing for **low- and moderate-income** households. The program to "Establish Housing Trust Fund" (page 166) should be expanded to describe the details of the proposed implementation actions/objectives and identify specific timeframes (e.g., earlier within planning period rather than a range). Please **see** our prior review.

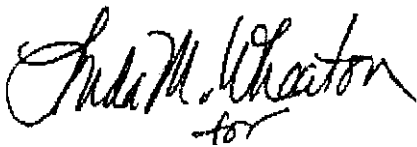
3. *The housing element shall contain programs which "address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing" (Section 65583(c)(3)).*

Absent a complete constraints **analysis**, it is not **possible to determine** the adequacy of **the** County's mitigation programs.

We hope our comments **are** helpful. If you **have** any questions or **would like** our assistance, please contact Don **Thomas**, of our **staff**, at (916) **445-5854**. We **would** be happy to arrange another meeting in either Santa **Cruz** or Sacramento to **provide** any additional assistance needed to facilitate **your** efforts to bring the element into compliance.

In accordance with requests pursuant **to the** Public Records Act, **we** are forwarding copies of **this** letter to **the** persons and organizations listed **below**.

Sincerely,



Cathy E. **Creswell**  
Deputy Director

cc: **Gretchen** Regenhardt, California Rural Legal Assistance  
**Mark** Stivers, Senate Committee on **Housing &** Community Development  
**Suzanne** Ambrose, Supervising **Deputy** Attorney General, AG's Office  
**Terry** Roberts, Governor's Office of **Planning** and Research  
**Nick** Cammarota, California Building Industry Association  
**Marcia** Salkin, California Association of Realtors  
**Marc** Brown, California Rural Legal Assistance Foundation  
**Rob** Wetner, California Coalition for Rural **Housing**  
**John** Douglas, **AICP**, Civic Solutions  
**Deanna** Kitamura, Western Center on **Law** and Poverty  
**S. Lynn** Martinez, Western Center on **Law** and Poverty  
**Alexander** Abbe, Law Firm of Richards, Watson & Gershon  
**Michael** G. Colantuono, **Colantuono, Levin & Rozell**, APC

**Ilene J. Jacobs, California Rural Legal Assistance, Inc.**

**Richard Marcantonio, Public Advocates**

**Jeanell Montero, Citizens/Planning Reform**

**Bruce Reed, Santa Cruz County Builders Exchange**

**David Booher, California Housing Council**

**John Swift, Hamilton-Swift Land Use & Dev. Consultants**

**Arnie Fischman, Santa Cruz Community Housing Corporation**

**Patti Bonar, Santa Cruz County Builders Exchange**

**Ron Zumbrun, Pacific Legal Foundation**

**Stephanie Dall, Dall & Associates**

**Daniel Garr, Professor, San Jose State University**

**Cynthia Mathews, Friends of Downtown**