



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

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

May 16, 2005

AGENDA DATE: May 25, 2005

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

Subject: Review and Recommendation of Housing Element

Commissioners:

For the last several years, the County has been working toward adoption of a new Housing Element of the County's General Plan. Through the development of the Housing Element, extensive public input was received. Drafts of the Housing Element were considered by your Commission and the Board of Supervisors and forwarded to the State Department of Housing and Community Development (HCD) for review and comments. Most recently, the Board of Supervisors adopted the Housing Element on January 11, 2005. The adopted Housing Element was submitted to HCD for certification. HCD responded in April 2005 (see Exhibit B) with comments on several issues. Revisions to the document have been developed based on those comments.

The purpose of this letter is to forward a revised final Housing Element, based on these years of cumulative efforts, for your Commission's consideration and recommendation to the Board of Supervisors.

Status of the Housing Element

The initial draft of the Housing Element was considered by the Board of Supervisors in June 2003 and was subsequently forwarded to HCD for review, as is established by State Law. Comments in response to that draft were received August 8, 2003. Your Commission reviewed the original Draft Housing Element in August 27, 2003. Revisions to the draft Housing Element were developed to respond to HCD's comments and other comments received through the public participation process. These revisions were considered by your Commission on February 11, 2004 and reconsidered by the Board of Supervisors March 23, 2004. A response to that version of the Housing Element was received from HCD in June of 2004. Following receipt of these comments, Planning staff consulted with HCD staff in an attempt to reduce the

remaining concerns. Modifications were incorporated to address these outstanding issues in the Housing Element adopted by the Board of Supervisors on January 11, 2005. Following adoption, the Housing Element was submitted to HCD for review and certification. HCD responded to this submittal in April 2005 with comments and suggestions for minor modifications. These modifications have been incorporated into the Housing Element before you now.

Revisions to the Housing Element

The Housing Element document before you today is substantially the same document that was considered by your Commission in February 2004, with a few key changes. These changes include:

- (1) Changes adopted by the Board of Supervisors in January 2005 (shown in ~~double~~ ~~strikeout~~ and double underline); and
- (2) Changes made in response to HCD's findings in April 2005 (shown in ~~single~~ ~~strikeout~~ and single underline).
- (3) Miscellaneous typographical changes identified in the errata sheet (Attachment **G**) adopted by the Board in January 2005 are incorporated into the document, but not identified.

The changes made in category (1) since your Commission's last review include:

- Minor clarification to a number of areas in response to questions raised by HCD with regard to various background sections of the Housing Element.
- Numerous revisions and clarifications to Section 4.6 of the Housing Element to address HCD's concerns with regard to the County's need to meet provide adequate ~~suitably~~-zoned sites to address the fair share housing requirements. Those changes also include additional measures to address the identified shortfall with regard to meeting the RHND.
- Changes to the programs section of the document (Section 4.7) to respond to the changes included in Section 4.6. In some cases, programs are amended to more closely address HCD's concerns. In other cases, where programs are no longer needed to address the RHND, programs have been deleted.
- Changes to the inventories included in the Appendices for potential sites to address concerns raised by HCD.

The changes made in category (2) in response to HCD's April 2005 letter include:

- Further information on the Code Compliance process in Section 4.5 and Appendix G (page 106 and Appendix G)
- Further information on the Design Review process in Section 4.5 (page 100)

- Further explanation and description of the Affordable Housing Combining District programs (Section 4.6, page 135; Program 1.1, 1.2, 1.3, Section 4.7, page 162 – 163)
- Further explanation of the incentives, monitoring and public outreach for Second Units in Program 1.14, Section 4.7 (page 167)
- Stronger commitment for Program 3.5, Section 4.7, Legal Conversion of Transient Occupancy Use Facilities to Permanent Use (page 176)
- Minor changes to Table 4.6.3 (page 126) and Urban Sites 14.5 to 17.4 units per acre in Section 4.6 (page 129)

In order to facilitate review by your Commission and the public, the revised Housing Element has been provided to show the changes identified above. Exhibit C includes highlighted changes (both double underline/strikeout and single underline/strikeout as outlined above) from the previous version considered by your Commission in February 2004 and by the Board of Supervisors in March of 2004, with the exception the inventories included in the Appendices which, because of numerous clarifying language changes, are only provided in their new form. Appendix G is a new Appendix added since the January 2005 adoption to explain the Code Compliance process. This document has been made available to the public on the County's website as of May 12, 2005.

Adoption Process

HCD's April 2005 letter indicates that if the County makes the modifications delineated in HCD's findings that the Housing Element will be in compliance with State law. The Housing Element before you includes these modifications. Therefore, at this time, the Housing Element is before your Commission for your review and recommendation to the Board of Supervisors for final adoption.

It is anticipated that the Board of Supervisors will make Findings of Consistency as part of their Resolution adopting the Housing Element. In adopting these findings, the Board will determine that the Housing Element is in substantial compliance with State law. The Findings of Consistency are attached as Exhibit Q for your information.

Related Adoption Items

In addition to the extensive public input and HCD review that has occurred in the course of developing the Housing Element, the document has also been reviewed through the County's environmental review process. A Negative Declaration has been prepared for the Housing Element indicating that its adoption will not cause any unmitigated significant environmental impacts. Attachment E includes the Negative Declaration as well as a memo from the Environmental Coordinator reflecting that the modifications to the document do not require further environmental review.

Follow-up Implementation Actions

Adoption of a Housing Element is just the beginning of a process to address local housing needs. Once adopted, it will be important for the County to engage rapidly in addressing a number of proposed new policy directions. The most crucial of the proposed programs is one which would result in re-designating **44** acres of land, with appropriate General Plan and zoning ordinance amendments, for higher density housing to provide adequate sites to address the County's needs for low and very low income households. Because of the critical importance of this program to address the Fair Share Housing requirements and the time required to analyze the potential sites for their suitability for this program as well as subjecting those sites chosen to a thorough environmental review process, staff has already begun the needed background research to facilitate that process.

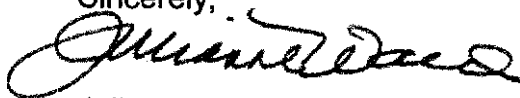
Conclusion/Recommendations

The process for developing a Housing Element has involved considerable effort by the County over the past several years. Through the process of receiving extensive public input and feedback from HCD, the document has been modified to reflect this thoughtful input. In light of this extensive input, staff believes that the document before you is now ready for formal adoption at this time.

It is therefore RECOMMENDED that your Commission take the following actions:

1. Consider public input as part of the Public Hearing on this item; and
2. Adopt the attached resolution (Exhibit A) recommending adoption of the Housing Element to the Board of Supervisors.

Sincerely,



Julianne Ward
Policy Section

Exhibits:

- A. Resolution Adopting Housing Element
- B. Letter from Cathy Creswell, California Department of Housing and Community Development dated April 18, 2005
- C. Highlighted Version of Housing Element (provided to Commissioners on 5/11/05)
- D. Negative Declaration and memos from Ken Hart, Environmental Coordinator
- E. Initial Study
- F. Errata sheet incorporated by the Board of Supervisors January 2005
- G. Letter from Cathy Creswell, California Department of Housing and Community Development dated August 8, 2003 (on file with Planning Commission secretary)
- H. Letter from Cathy Creswell, California Department of Housing and Community Development dated June 7, 2004 (on file with Planning Commission secretary)

Revised Housing Element

Agenda: May 25, 2005

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- I. Minutes from Board of Supervisors hearing January 11, 2005 (on file with Planning Commission secretary)
- J. Minutes from Board of Supervisors hearing March 23, 2004 (on file with Planning Commission secretary)
- K. Minutes from Planning Commission meeting February 11, 2004 (on file with Planning Commission secretary)
- L. Resolution of Board of Supervisors adopting Housing Element January 11, 2005 (on file with Planning Commission secretary)
- M. Resolution of Planning Commission recommending adoption of the Housing Element February 11, 2004 (on file with Planning Commission secretary)
- N. Public comments received by the Planning Commission for the February 11, 2004 meeting on the Draft Housing Element (on file with Planning Commission secretary)
- O. Public comments received on the Draft Housing Element at or since the Planning Commission hearing on February 11, 2004, but prior to the Board of Supervisors hearing on March 23, 2004 (on file with Planning Commission secretary)
- P. Public comments received at or since the Board of Supervisors hearing on March 23, 2004 (on file with Planning Commission secretary)
- Q. Findings of Consistency

cc. County Counsel
Housing Advisory Commission

BEFORE THE PLANNING COMMISSION OF THE COUNTY OF SANTA CRUZ,
STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Commissioner:
Duly seconded by Commissioner:
The following Resolution is adopted:

PLANNING COMMISSION RESOLUTION RECOMMENDING ADOPTION OF A
REVISED HOUSING ELEMENT OF THE SANTA CRUZ COUNTY GENERAL PLAN

WHEREAS, the availability of housing is of vital importance in the County of Santa Cruz (the "County"), and the attainment of decent housing and a suitable living environment is a priority of the highest order; and

WHEREAS, attainment of this goal requires the cooperative participation of local government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of all economic levels of the community; and

WHEREAS, housing prices continue to rise while the median income is not increasing at the same rate; and

WHEREAS, the 2000 U.S. Census reflected that **66.2%** of County households earning less than moderate income were spending more than 30% of their income on housing costs; and

WHEREAS, the state mandated Regional Housing Needs Determination (RHND) allocation assigned to the unincorporated portion of the County for the 2000-2007 planning period is 3,441 new units, which represents 35% of the entire county's 9,715 unit allocation. Of these 3,441 new units the State requires that 937 units be affordable to very low income households, **502** units be affordable to low income households, 651 units be affordable to moderate income households, and 1,351 units be affordable to above moderate income households; and

WHEREAS, State General Plan guidelines require that the state mandated Housing Element be revised periodically to incorporate new information and reflect changes in community needs and values; and

WHEREAS, the County has adopted a General Plan; and

WHEREAS, the Housing Element is consistent with the other elements of the County's General Plan; and

WHEREAS, Government Code Section 65302(c) requires that localities adopt a Housing Element of their General Plan that complies with the State's standards as set forth in Government Code Section 65580 et seq., "State Housing Element **Law**"; and

WHEREAS, a proposed Amendment to the Housing Element of the Santa Cruz County General Plan has been prepared according to the adopted procedure set forth in Government Code Sections 65358 and 65580 et seq.; and

WHEREAS, public hearing notices for the draft 2000-2007 Housing Element regarding document availability and public hearing schedule were published in local newspapers as required by law and provided on the County's website; and

WHEREAS, the Planning Commission has held a public hearing and received and considered concerns and comments raised by the community, staff, and the California Department of Housing and Community Development on the proposed amendment, and has considered the public record as a whole; and

WHEREAS, pursuant to California Government Code section 65585(b), the California Department of Housing and Community Development reviewed the County's draft and adopted versions of the Housing Element and reported its findings to the County in a letters dated August 8, 2003, June 7, 2004, and April 18, 2005; and

WHEREAS, the Planning Commission has considered the California Department of Housing and Community Development's comments and recommended amendments to the Draft Housing Element, and has acted to incorporate all of the changes and additions requested by HCD; and

WHEREAS, Attachments 1 and 2 to this resolution set forth the manner in which the County addressed the most recent comments of the California Department of Housing and Community Development dated June 7, 2004 and April 18, 2005, respectively; and

WHEREAS, the California Department of Housing and Community Development indicated in their April 18, 2005 letter that, once the recommended revisions are completed, the Housing Element will, in its opinion, comply with the requirements of State Housing Element Law; and

WHEREAS, pursuant to Section 65583 of the California Government Code, the Housing Element includes, but is not limited to: (1) an identification and analysis of existing and projected housing needs and an inventory of resources and constraints relevant to meeting these needs; (2) a statement of Santa Cruz County's goals, quantified objectives, and policies relative to the maintenance, improvement, and development of housing; (3) a program which sets forth a schedule of actions the County is undertaking or intends to undertake to implement the policies and achieve the goals and objectives; and

WHEREAS, pursuant to the California Environmental Quality Act, a Negative Declaration has been prepared and circulated for public review concluding that no potentially significant environmental impacts will occur as the result of the proposed Housing Element Update.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission hereby finds the Negative Declaration is complete, correct and adequate and prepared in accordance with the California Environmental Quality Act and applicable State and County Guidelines; and

BE IT FURTHER RESOLVED, that the Planning Commission hereby finds that on the basis of the Negative Declaration, no substantial evidence exists that the project will have a significant effect on the environment; and

BE IT FURTHER RESOLVED, that the Planning Commission recommends adoption of the negative declaration; and

BE IT FURTHER RESOLVED, that the Planning Commission hereby finds that the Final Housing Element substantially complies with State requirements of Government Code section 65580 et seq; and

BE IT FURTHER RESOLVED, that the Planning Commission recommends that the Final Housing Element, as set forth in Exhibit C to the Staff Report, be adopted by the Board of Supervisors as an element of the Santa Cruz County General Plan;

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this _____ day of _____, 2005 by the following vote:

AYES:	COMMISSIONERS
NOES:	COMMISSIONERS
ABSENT	COMMISSIONERS
ABSTAIN:	COMMISSIONERS

Chairperson

ATTEST: _____
Secretary

APPROVED AS TO FORM:



COUNTY COUNSEL

cc: County Counsel
Planning Department

Responses to HCD Letter of 6/7/04		
HCD Comment	County Response	Chapter and Page Number
Chapter 4.9 # 20 Need more information on Action Pajaro Valley	More information on the Action Pajaro Valley Program was provided	4.9; page 191
Estimate of housing rehabilitation and replacement needs	Though there is little authoritative information on rehabilitation and replacement needs available, information was added based on the number of permits issued for upgrades and repairs.	4.2; page 12
Provide an inventory of appropriately zoned, available, and suitable sites	A new revised inventory chapter was provided which specifies the inventory of appropriately zoned, available and suitable sites in Table 4.6.3, with descriptions of the inventory in the sections following the table.	4.6 and Appendices A, B, C, D, E and F
Assessment of whether the projected site capacity can be realistically achieved within the planning period	A discussion of the probability of reaching the projected site capacity within the planning period was provided.	4.6
Cannot utilize Density Bonus or Inclusionary Units to meet the projected site capacity	Density Bonus units were removed. Inclusionary Units were also not relied upon.	4.6
Must show the relationship between the projected development capacity and the implementation of specific programs	Reliance on programs to meet projected development capacity were removed. Only one program was relied on to meet the RHND allocation. Link clearly demonstrated.	4.6
Provide discussion of density as it relates to income levels and provide a program requiring buildout at the densities required	The inventory has been modified based on direction from HCD that 20 units per acre was adequate to meet the affordability levels for low and very low income households. The County has adopted an ordinance to ensure buildout at the density required by the General Plan.	4.6; 4.7

RHD can be reduced by units developed within the planning period	Units developed within the planning period are accounted for in the inventory.	4.6
Identify which sites in the inventory are designated "Rural Scenic Resource" and/or are subject to LCP permit approval.	None of the sites listed in the inventory are designated "Rural Scenic Resource". Additionally, none of the sites are subject to LCP permit approval.	N/A
Visitor Accommodations and Conversion of Transient Occupancy to Permanent Housing- how will these units be made available as permanent housing?	A discussion was included in Chapter 4.6. Additionally, programs to create ordinances to facilitate these conversions was included in Chapter 4.7	4.6, 4.7
Land Use Controls- clarify which parcels are urban and rural	The appendices clarify which parcels are urban and which are rural.	Appendices
On and Off Site Improvements	A discussion of on and off site improvements is included in the Constraints section.	4.5
Permit Processing- constraint and programmatic action to remove or mitigate constraint	A discussion of permit processing as a constraint and programmatic actions to reduce this constraint was included in the Constraints section, as well as the Programs section.	4.5, 4.7
Constraints on Housing for Persons with Disabilities	A further discussion on constraints to housing for persons with disabilities was included in the constraints section.	4.5
Special Housing Needs for the Elderly-tenure information	Further information on the tenure of the elderly population was included in the Elderly portion of the Special Needs section.	4.3
Program Timelines and Reporting	The reliance on programs to complete the inventory of sites was reduced. Additionally, the programs have been strengthened to provide more specific action and timelines for implementation.	4.7
Emergency Shelters and Transitional Housing	Further discussion of the zones or areas in which emergency shelters and transitional housing is allowed was provided as part of the Constraints section.	4.5; page 95

Programs to Revise and Strengthen	The language used in the programs was revised and strengthened to reflect the County's commitment to implementation of the programs included in the Housing Element within the planning period.	4.7
Establish Housing Trust Fund	Additional information was included.	4.7
Removal of Government Constraints	Further information on the mitigation of constraints was included in the Constraints section.	4.5

Responses to HCD Letter of 4/18/05		
HCD Comment	County Response	Chapter and Page Number
Calculation Error in Table 4.6.3	Calculations corrected	4.6, page 126
Include implementing standards for the Affordable Housing Combining District and how these standards will encourage and facilitate development under the Combining District	A discussion of the implementing process and standards was included.	4.6; page 135
Provide more information about the funding dedication to assist development under the Affordable Housing Combining District including criteria for eligibility for funding	Further information on the funding requirements and dedication was included	4.6; page 136
Provide further information on the design review process	Information on the design review process included	4.5, page 100
Provide further information on the Code Compliance process	Information on the Code Compliance process was included	4.5, page 106; Appendix G
1.1, 1.2 Strengthen the Affordable Housing Combining District programs to include incentives, monitoring, public outreach. Ensure density is "by right"	Further information was provided concerning the Affordable Housing Combining District. Addition of programs 1.2.1 and 1.2.2 to address outreach and monitoring. Densities of 20 units per acre are allowed "by right" under the Affordable Housing Combining District.	4.7, page 162-163
1.14 Second Unit Incentive Program: commit to encouraging second unit development. Provide detail Concerning incentives, monitoring and outreach.	More information concerning second unit incentives was included. Monitoring and outreach added.	4.7, page 167
3.5 Conversion of Transient Occupancy Uses to Permanent Housing: Demonstrate stronger commitment to complete ordinance amendments. Provide financial resources to further this program as well as monitoring and tracking.	Commitment made stronger. Financial resources and monitoring/tracking added.	4.7, page 176

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

EXHIBIT B

Division of Housing Policy Development

1800 Third Street, Suite 430
P. O. Box 852053
Santa Cruz, CA 94252-2053
(916) 323-3177
FAX (916) 327-2643



April 18, 2005

Ms. Susan Mauriello
County Administrative Officer
County of Santa Cruz
710 Ocean Street, Room 520
Santa Cruz, CA 95060

Dear Ms. Mauriello:

RE: Review of the County of Santa Cruz's Adapted Housing Element

Thank you for submitting Santa Cruz County's housing element, adopted by the Board of Supervisors on January 11, 2005, and received for review on January 18, 2005. As you know, the Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

The Department has also received and considered numerous third party comments from the local residents, California Rural Legal Assistance, California Affordable Housing Law Project, Progressive Housing Advocates of Santa Cruz County, Mid-Peninsula Housing Coalition, South County Housing, and the San Lorenzo Valley Property Owners Association, pursuant to Government Code Section 65585(c). Several meetings (both in Sacramento and Santa Cruz), phone calls, and e-mail exchanges with County staff, including Messrs. Tom Burns, Planning Director; Mark Deming, Assistant Planning Director; Erik Schapiro, Housing Program Manager; and Ms. Julianne Ward, Planner IV, along with a March 4, 2005 site visit, facilitated the review.

Revisions incorporated into the adopted element address many of the statutory requirements described in the Department's previous reviews (August 8, 2003 and June 7, 2004). However, as discussed with County staff, the revisions described in the enclosed Appendix are still needed for the element to comply with State housing element law (Article 10.6 of the Government Code). For example, the element should include additional description and analysis of the County's proposed Affordable Housing Combining District Program.

Ms. Susan Mauriello
Page 2

Once *the* County revises the **housing** element to address **all** of the **statutory requirements** described in ~~the~~ Appendix, the **element** will be **in** compliance. **If you would like** to schedule another meeting in Santa Cruz or Sacramento or **have any questions**, please contact **Don Thomas**, of our staff, at (916) 445-5854.

Sincerely,



Cathy E. Creswell
Deputy Director

Enclosure

cc: Tom **Bums**, Planning Director, County of Santa Cruz
Julianne Ward, ~~Planner~~ IV, County of Santa Cruz

APPENDIX County of Santa Cruz

The following changes would bring Santa Cruz County's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Elements section contains the Department's publication, *Housing Element Questions and Answers (Qs & As)* and the Government Code addressing State housing element law.

A. Housing Needs, Resources, and Constraints

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)).*

As discussed with Ms. Ward, Table 4.6.3 (land resources summary) contains calculation errors. Please ensure that all existing residential buildout and project on figures reconcile. This information is important as it is illustrative of how much land must be included as part of the application of the County's proposed Affordable Housing (AH) Combining District.

Affordable Housing (AH) Combining District. According to the element's land inventory, the supply of available and appropriately zoned sites is not sufficient to accommodate the County's regional housing need, particularly for lower-income households (1,439 units). In lieu of identifying sites with appropriate base densities to accommodate the County's share of the regional housing need for lower-income households, the County is proposing to develop an Affordable Housing (AH) Combining District designation (and ordinance) and apply it to a list of candidate sites totaling 44 acres (shown in Appendix D). Such a strategy may be appropriate to address a portion of the adequate sites requirements, providing it includes an adequate description and analysis of the AH Combining District, including incentives and implementation steps. Also, as indicated in Section B. of this Appendix, the AH Combining District program actions must be expanded and strengthened. Keep in mind, as a result of recent changes in housing element law, (i.e., Chapter 724, Statutes of 2004 [AB 2348]), at least 50 percent of the targeted 44 acres must have base underlying residential zoning designation.

The element must be expanded to describe implementing standards of the proposed AH and demonstrate their appropriateness in encouraging and facilitating the development of housing affordable to lower-income households. It is critical the County demonstrate the proposed incentives are sufficient enough to encourage developers to take advantage of the increased densities (above the underlying zone) and meet the requirement to designate 40 percent of the newly developed units as affordable to lower-income households.

Also, it is our understanding the County will dedicate \$15 million of Redevelopment Agency monies to assist in the development of the candidate AH Combining District sites (Program 1.3). As a result, the element should describe the County's specific role in administering the funds and describe the criteria that developers must meet to be eligible for funding under this program.

2. *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)).*

The **majority** of the third **party** comments received on the adopted element focus on concerns and uncertainties about the **County's** permit processing and code enforcement procedures.

Permit Processing: According to element (page 101), the design review process is conducted at the initial **stages** of the application process and does not add to the processing time of residential projects. However, the element should be expanded to describe the specifics of **Santa Cruz County's** design review standards and guidelines, particularly for **multifamily** projects (e.g., what **are** the standards and **how** are **they** applied?). The element should indicate whether these standards are objective and allow prospective applicants to determine **what is** required up front and whether the design review process poses a **constraint** to the development of affordable housing. For example, describe the **steps the** County takes to assist developers **in** navigating the design review process (technical assistance materials at front counter). Depending on the results of the **analysis**, the element may need to include a program to **remove** or mitigate **the** identified constraint.

Code Enforcement: **The** adopted element (pgs. 106-107) includes a **brief** overview of the County's code enforcement program, however, the element should be expanded to include more information about the administration of **this program**. For example, describe **how** inspections are initiated, (e.g., proactive or citizen complaint generated), current number of open cases, average number of complaints received each year, types of code violations (e.g., **zoning** ordinance, building code, environmental health), how **property owners are** notified of violations, types penalties imposed (e.g., monetary, **stop** work orders). Lastly and most importantly, the element should describe the steps needed to resolve a typical code violation.

B. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobile homes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).*

Affordable Housing Combining District (1.1, 1.2, and 1.3): As previously described, to demonstrate the adequacy of this strategy, Programs 1.1 and 1.2 must be strengthened and expanded. For example, Program 1.2 should include a list or menu of fiscal and/or regulatory incentives the County will offer to encourage and facilitate the development of affordable housing on the candidate sites. Other requisite implementation actions that should be incorporated into either Program 1.1 or 1.2 include, but are not limited to, annual tracking and monitoring of development of the candidate AH Combining sites. Monitoring is necessary to determine the effectiveness of the AH Combining District ordinance in encouraging development of affordable housing and whether to continue the AH Combining program over the current planning period. For example, if development of the candidate sites is not keeping pace with the need, especially for lower-income households, the County should work with the local development community to devise methods to make the AH Combining District designation a more viable development option such as allowing higher densities or providing additional incentives.

The program should also include a public outreach and promotional component, including dates for release of promotional materials and developer workshops. Lastly, because development can occur either at the underlying density or the higher density of the combining district, the program must commit the County to substituting additional AH Combining district sites should any project be developed under the base density standards.

As discussed with County staff, because the existing inventory of sites does not identify "adequate sites" to accommodate the need for all household income levels pursuant to Section 65584, the County's proposed AH Combining District ordinance must allow owner-occupied and rental multifamily residential uses "by right" on the designated/candidate sites.

Second Units Incentive Program (1.14): As described in our June 7, 2004 review, the program must definitively commit the County to facilitating and encouraging second-unit development. Given the County is projecting the buildout of 335 second units within the planning period (194 units for lower-income households), this program must be expanded to include more detail as to the types of specific incentives that will be offered, as well as include a monitoring and public outreach component. We would be glad to assist County staff in developing stronger implementation actions.

Conversion of Transient Occupancy Uses to Permanent Housing (35): According to Table 4.6.3, the County is proposing to rely on a motel conversion program as part of its overall "adequate sites" strategy. As projected, 60 units will be converted to permanent housing and will be affordable to very low-income households. While Appendix "F" provides a list of possible conversion opportunities (motel sites), Program 3.5 must be expanded to demonstrate much stronger commitment to complete the requisite zoning ordinance amendments as soon as possible (i.e., eliminate the "consider" language). In addition, this program should be expanded to include implementation actions that commit the County to providing the Fiscal resources to assist property owners with the motel/hotel conversions, and a monitoring and tracking component.

2. *Include program actions to address and, where appropriate and legally possible, remove governmental constraint8 to the maintenance. improvement, and development & housing for all income levels (Section 65583(c)(3)).*

As pteviouslynoted (A.2), the element requires a more thorough description and analysis of the County's potential governmental constraints. Depending upon the results of that analysis, the County may need to add programs to remove or mitigate any identified constraints.



County of Santa Cruz

EXHIBIT D

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060-4000
(831)454-2580 FAX: (831)454-2131 TDD: (831)454-2123
TOM BURNS, DIRECTOR

NEGATIVE DECLARATION AND NOTICE OF DETERMINATION

Application Number: N/A

Proposal to adopt the Draft Housing Element of the General Plan.

APN: Countywide

Zone District: Various (Countywide)

County of Santa Cruz

Julianne Ward, Staff Planner

ACTION: Negative Declaration

REVIEW PERIOD **ENDS**: March 3, 2004

This project will be considered at a public hearing by the **Planning** Commission. The hearing will be held on February 11, 2004 at 9:00 a.m. in the Board of Supervisors Chambers, 701 Ocean Street, Room 525, Santa Cruz, California. This item will be included in **all** public hearing notices for the project.

Findings:

This project, if conditioned to comply with required mitigation measures or conditions shown below, will not have significant effect on the environment. The expected environmental impacts of the project are documented in the Initial Study on this project attached to the original of this notice on file with the Planning Department, County of Santa Cruz, 701 Ocean Street, Santa Cruz, California.

Required Mitigation Measures or Conditions:

☒ None
☐ Are Attached

Review Period Ends March 3, 2004

Date Approved By Environmental Coordinator March 4, 2004


KEN HART
Environmental Coordinator
(831)454-3127

If this project is approved, complete and file this notice with the Clerk of the Board:

NOTICE OF DETERMINATION

The Final Approval of This Project was Granted by _____

on _____. No EIR was prepared under CEQA.

THE PROJECT WAS DETERMINED TO NOT HAVE SIGNIFICANT EFFECT ON THE ENVIRONMENT.

Date completed notice filed with Clerk of the Board: _____



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET, SUITE 400, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123
TOM BURNS, DIRECTOR

NOTICE OF ENVIRONMENTAL REVIEW PERIOD

SANTA CRUZ COUNTY

APPLICANT: County of Santa CNZ

APPLICATION NO.: N/A (Draft Housing Element for General Plan)

APN: Countywide

The Environmental Coordinator has reviewed the Initial Study for your application and made the following preliminary determination:

XX Negative Declaration
(Your project will not have a significant impact on the environment.)

_____ Mitigations will be attached to the Negative Declaration.

XX No mitigations will be attached.

_____ Environmental Impact Report
(Your project may have a significant effect on the environment. An EIR must be prepared to address the potential impacts.)

As part of the environmental review process required by the California Environmental Quality Act (CEQA), this is your opportunity to respond to the preliminary determination before it is finalized. Please contact Paia Levine, Environmental Coordinator at (831) 454-3178, if you wish to comment on the preliminary determination. Written comments will be received until 5:00 p.m. on the last day of the review period.

Review Period Ends: March 3, 2004

Julianne Ward
Staff Planner

Phone: 454-3226

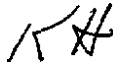
Date: January 28, 2004

MEMORANDUM

Date: May **13,2004**

To: Julianne Ward, Advanced Planning

From: Ken Hart, Environmental Coordinator



Re: Housing Element Environmental Documents

As you know, I made a preliminary **determination** to issue a Negative Declaration for the adoption of the Housing Element on March **4,2004**. In December of **2004**, I reviewed a series of proposed changes to the Housing Element at your request to determine whether the Initial Study required any revisions to address the amended language. At the time, I indicated that the Initial Study continued to adequately evaluate the effects of the programs described by the Housing Element (see memo dated December **21,2004**).

In response to some additional changes to the Housing Element, you recently asked that I undertake the same evaluation to ensure that the Initial Study supporting the Negative Declaration remains valid. The proposed changes to the Housing Element include minor corrections to the text and tables, additional information on the phasing of program implementation, and an expansion of the description contained in the document regarding funding, outreach, and monitoring. The changes proposed would not result in any new physical changes to the environment beyond those previously evaluated in the Initial Study. As a result, I have determined that no revisions to the Initial Study, dated January **22, 2004**, are required in order to support the Negative Declaration.

MEMORANDUM

0247

Date: December 21, 2004

To: Julianne Ward, Advanced Planning

From: Ken Hart, Environmental Coordinator *Ken Hart*

Re: Housing Element Environmental Documents

As you know, I made a preliminary determination to issue a Negative Declaration for the adoption of the Housing Element on March 4, 2004. You recently requested me to review the Initial Study for this proposal, in light of modifications to the Housing Element that have occurred since preparation of that document. I have completed my review and have concluded that the Initial Study, dated January 22, 2004, continues to adequately describe the proposed Housing Element and that no revisions to the Initial Study are required in order to support the Negative Declaration.

**COUNTY OF SANTA CRUZ
PLANNING DEPARTMENT**

Date: **1/22/04**
Staff Planner: Julianne Ward

**ENVIRONMENTAL REVIEW
INITIAL STUDY**

APPLICANT County of Santa Cruz
OWNER: Various
Application No: none
Site Address: Countywide
Location: Countywide

APN: Countywide
Supervisory District: All

EXISTING SITE CONDITIONS

Parcel Size: N/A
Existing Land Use: Residential, Commercial, Vacant
Vegetation: varied
Slope: varied
Nearby Watercourse: various
Distance To: varied
Rock/Soil Type: various

ENVIRONMENTAL RESOURCES AND CONSTRAINTS

Groundwater Supply: Mapped	Liquefaction: Mapped
Water Supply Watershed: Mapped	Fault Zone: Mapped
Groundwater Recharge: Mapped	Scenic Corridor: Mapped
Timber or Mineral: Mapped	Historic: Numerous
Agricultural Resource: Mapped	Archaeology: Mapped
Biologically Sensitive Habitat: Mapped	Noise Constraint: Mapped
Fire Hazard: Mapped	Electric Power Lines: No issues
Floodplain: Mapped	Solar Access: unblocked
Erosion: Low potential	Solar Orientation: Good
Landslide: Mapped	Hazardous Materials: None

SERVICES

Fire Protection: All
Drainage District: All
School District: All
Project Access: N/A
Water Supply: Water Districts, private wells
Sewage Disposal: Sewer and Septic

PLANNING POLICIES

Zone District: Various
Special Designation: **All**
General Plan: Various
Special Community: Countywide
Coastal Zone: Yes and **No**
Within USL: Yes and **No**

PROJECT SUMMARY DESCRIPTION:

Proposal to adopt the Draft Housing Element of the General Plan.

DETAILED PROJECT DESCRIPTION:

This project is the Draft Housing Element Update for the planning period of 2000 – 2007. Within the Draft Housing Element are Goals, Objectives, Policies and Programs which will be implemented once the Draft is adopted by the Board of Supervisors and certified by the State Department of Housing and Community Development. These Goals, Objectives, Policies and Programs are identified in Chapter 4.7 of the Draft Housing Element and are the focus of this Initial Study. The Draft Housing Element is an attachment to the Initial Study, incorporated by reference and is on file with the Planning Department.

The Housing Element affects the unincorporated area of the County of Santa Cruz. The Housing Element of the General Plan is a comprehensive statement by the County of Santa Cruz of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The purpose of the Housing Element is to establish specific goals, policies and objectives relative to the provision of housing and to adopt an action plan to achieve these goals. Chapter 4.7 of the Draft Housing Element reflects the County's action plan.

The Draft Housing Element does not change any zoning or General Plan densities. Further, it does not anticipate any specific development project. However, there are programs within the Housing Element which propose to look at the possibility of changing zoning and/or General Plan densities in the future. Because these programs are described in preliminary form and the reach of said programs is undetermined at this time, it is premature to evaluate environmental impacts that might flow from the adoption of such programs. It is anticipated that detailed evaluation of the environmental impacts of any specific changes in density or other aspects of zoning and land use will occur at the time such changes are actually proposed. Including such evaluation as a part of this Initial Study is premature and would not be specific enough to adequately assess potential impacts.

PROJECT SETTING:

This project area is the entire County.

Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
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ENVIRONMENTAL REVIEW CHECKLIST

A. Geology and Soils

Does the project have the potential to:

1. Expose people or structures to potential adverse effects, including the risk of material loss, injury, or death involving:

- | | | | | |
|--|---|---|---|------------|
| <ol style="list-style-type: none"> a. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or as identified by other substantial evidence? | — | — | — | <u>X</u> . |
| <ol style="list-style-type: none"> b. Seismic ground shaking? | — | — | — | <u>X</u> . |
| <ol style="list-style-type: none"> c. Seismic-related ground failure, including liquefaction? | — | — | — | <u>X</u> . |
| <ol style="list-style-type: none"> d. Landslides? | — | — | — | <u>X</u> . |

All of Santa Cruz County is subject to some hazard from earthquakes. The Housing Element **is** a planning document to guide future housing policy. Because it does *not* make specific reference to any given area or parcels of land, there is no potential impact from approval of *the document*. Each development proposal will necessitate independent review of environmental impacts.

- | | | | | |
|---|---|---|---|------------|
| <ol style="list-style-type: none"> 2. Subject people or improvements to damage from soil instability as a result of on- or off-site landslide, lateral spreading, to subsidence, liquefaction, or structural collapse? | — | — | — | <u>X</u> . |
| <ol style="list-style-type: none"> 3. Develop land with a slope exceeding 30%? | — | — | — | <u>X</u> . |
| <ol style="list-style-type: none"> 4. Result in soil erosion or the substantial | | | | |

	Significant Or Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant impact	No Impact
loss of topsoil?	—	—	—	<u>X</u> .
5. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to property?	—	—	—	<u>X</u> .
6. Place sewage disposal systems in areas dependent upon soils incapable of adequately supporting the use of septic tanks, leach fields, or alternative waste water disposal systems?	—	—	—	<u>X</u> .

New sewer connections and/or the installation of new septic systems will be evaluated on a project specific basis. As no development proposed as a part of this project, the anticipated future development cannot be predicted. The Housing Element is a planning document to guide future housing policy. Because it does not make specific reference to any given area, there is no potential impact. Each development proposal will necessitate independent review of environmental impacts.

7. Result in Coastal cliff erosion?	—	—	—	<u>X</u> .
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Though the project area includes the entire County, including the Coastal Zone, no development is specifically anticipated. All proposed development will have to comply with Coastal protection policies including those prohibiting erosion to coastal cliffs and bluffs.

B. Hydrology, Water Supply and Water Quality

Does the project have the potential to:

1. Place development within a 100-year flood hazard area?	—	—	—	<u>X</u> .
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Parcels within the 100-year flood hazard area are included in the project area, however, no new development within the flood area is proposed. Any future proposals for development in the flood hazard area must meet the appropriate requirements.

2. Place development within the floodway resulting in impedance or redirection of flood flows?	—	—	—	<u>X</u> .
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Parcels within the floodway area are included in the project area, however, no new development within the flood area is proposed. Any future proposals for development in the flood hazard area must meet the appropriate requirements.

	Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	NO Impact
3. Be inundated by a seiche or tsunami?	—	—	—	<u>X</u>
4. Deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit, or a significant contribution to an existing net deficit in available supply, or a significant lowering of the local groundwater table?	—	—	—	<u>X</u>

As no development is proposed as a part of this project, the anticipated impacts to groundwater supply or groundwater recharge is unknown. Each development proposal will be analyzed to determine whether that particular development would have any impact **on** groundwater supply or groundwater recharge.

5. Degrade a public or private water supply? (Including the contribution of urban contaminants, nutrient enrichments, or other agricultural chemicals or seawater intrusion).	—	—	—	<u>X</u>
6. Degrade septic system functioning?	—	—	—	<u>X</u>
7. Alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which could result in flooding, erosion, or siltation on or off-site?	—	—	—	<u>X</u>

No change to drainage pattern will result from the approval of this planning document. Any new development will be required to address drainage issues specifically pertaining to that parcel.

8. Create or contribute runoff which would exceed the capacity of existing or planned storm water drainage systems, or create additional source(s) of polluted runoff?	—	—	—	<u>X</u>
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No change to runoff or drainage pattern will result from the approval of this planning document. Any new development will be required to address drainage issues specifically pertaining to that parcel.

	Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
9. Contribute to flood levels or erosion in natural water courses by discharges of newly collected runoff?	—	—	—	<u>X</u>
See B. 8. above.				
10. Otherwise substantially degrade water supply or quality?	—	—	—	<u>X</u>

Although future development will place additional burdens on existing water supply, the water resources available to meet the needs of the vacant parcels were evaluated and **analyzed** during the preparation of the **1994** General Plan. The Housing Element is a planning document to guide future housing policy. Because it does not make specific reference to any given area, there is no potential impact. Each development proposal will necessitate independent review of environmental impacts.

C. Biological Resources

Does the project have the potential to:

1. Have an adverse effect on any species identified as a candidate, sensitive, or special status species, in local or regional plans, policies, or regulations, or by the California Department of Fish and Game, or U.S. Fish and Wildlife Service?	—			
2. Have an adverse effect on a sensitive biotic community (riparian corridor, wetland, native grassland, special forests, intertidal zone, etc.)?	—	—	—	<u>X</u>
3. Interfere with the movement of any native resident or migratory fish or wildlife species, or with established native resident or migratory wildlife corridors, or impede the use of native or migratory wildlife nursery sites?	—	—	—	<u>X</u>
4. Produce night time lighting that will illuminate animal habitats?	—	—	—	<u>X</u>
5. Make a significant contribution to				

	Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
<i>the reduction of the number of species of plants or animals?</i>	—	—	—	<u>X</u> .
6. <i>Conflict with any local policies or ordinances protecting biological resources (such as the Significant Tree Protection Ordinance, Sensitive Habitat Ordinance, provisions of the Design Review ordinance protecting trees with trunk sizes of 6 inch diameters or greater)?</i>	—	—	—	<u>X</u> .
7. <i>Conflict with the provisions of an adopted Habitat Conservation Plan, Biotic Conservation Easement, or other approved local, regional, or state habitat conservation plan?</i>	—	—	—	<u>X</u> .

Issues regarding protected species, sensitive biotic communities and habitats, and wildlife migration will be addressed on a per project basis. The Housing Element is a planning document to guide future housing policy. Because it does not make specific reference to any given area, there is no potential impact. Each development proposal will necessitate independent review of environmental impacts.

D. Energy and Natural Resources

Does the project have the potential to:

- | | | | | |
|---|---|---|---|------------|
| 1. <i>Affect or be affected by land designated as Timber Resources by the General Plan?</i> | — | — | — | <u>X</u> . |
|---|---|---|---|------------|

The impact to timber resources land will mainly be from land which may be adjacent to the timber resources land and developed for housing. Any impact to the timber resources land will be addressed during the processing of the application for the development project.

- | | | | | |
|--|---|---|---|------------|
| 2. <i>Affect or be affected by lands currently utilized for agriculture, or designated in the General Plan for agricultural use?</i> | — | — | — | <u>X</u> . |
|--|---|---|---|------------|

The impact to agricultural land will mainly be from land which may be adjacent to the agricultural land and developed for housing. Any impact to the agricultural land will be addressed during the processing of the application for the development project.

Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	NO Impact
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3. Encourage activities which result in the use of large amounts of fuel, water, or energy, or use of these in a wasteful manner?

—	—	—	<u>X</u>
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The Housing Element is a planning document *to* guide future housing policy. Because it does not make specific reference *to* any given area, there is no potential impact. Each development proposal will necessitate independent review of environmental impacts.

4. Have a substantial effect on the potential use, extraction, or depletion of a natural resource (i.e., minerals or energy resources)?

—	—	—	<u>X</u>
---	---	---	----------

The Housing Element is a planning document *to* guide future housing policy. Because *it* does not make specific reference to any given area, there is no potential impact. Each development proposal will necessitate independent review of environmental impacts.

E. Visual Resources and Aesthetics

Does the project have the potential to:

1. Have an adverse effect on a scenic resource, including visual obstruction of that resource?

—	—	—	<u>X</u>
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2. Substantially damage scenic resources, within a designated scenic corridor or public ~~viewshed~~ area including, but not limited to, trees, rock outcroppings, and historic buildings?

—	—	—	<u>X</u>
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3. Degrade the existing visual character or quality of the site and its surroundings, including substantial change in topography or ground surface relief features, and/or development on a ridgeline?

—	—	—	<u>X</u>
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4. Create a new source of light or glare which would adversely affect day or nighttime views in the area?

—	—	—	<u>X</u>
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	Significant Or Potentially Significant Impact	Less Than Significant with Mitigation' Incorporation	Less Than Significant Impact	NO Impact
--	---	--	------------------------------------	--------------

- | | | | | |
|---|-----|-----|-----|------------|
| 5. Destroy, cover, or modify any unique geologic or physical feature? | ___ | ___ | ___ | <u>X</u> . |
|---|-----|-----|-----|------------|

The Housing Element is a planning document to guide future housing policy. Because it does not make specific reference to any given area, there is no potential impact. Each development proposal will necessitate independent review of environmental impacts.

F. Cultural Resources

Does the project have the potential to:

- | | | | | |
|--|-----|-----|-----|------------|
| 1. Cause an adverse change in the significance of a historical resource as defined in CEQA Guidelines 15064.5? | ___ | ___ | ___ | <u>X</u> . |
|--|-----|-----|-----|------------|

The Housing Element is a planning document to guide future housing policy. Because it does not make specific reference to any given area, there is no potential impact. Each development proposal will necessitate independent review of environmental impacts.

- | | | | | |
|---|-----|-----|-----|------------|
| 2. Cause an adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines 15064.5? | ___ | ___ | ___ | <u>X</u> . |
|---|-----|-----|-----|------------|

No impact to archeological resources is anticipated. Any new development will be required to address specific archeological issues as appropriate.

- | | | | | |
|--|-----|-----|-----|------------|
| 3. Disturb any human remains, including those interred outside of formal cemeteries? | ___ | ___ | ___ | <u>X</u> . |
| 4. Directly or indirectly destroy a unique paleontological resource or site? | ___ | ___ | ___ | <u>X</u> . |

G. Hazards and Hazardous Materials

Does the project have the potential to:

- | | | | | |
|--|-----|-----|-----|----------|
| 1. Create a significant hazard to the public or the environment as a result of the routine transport, storage, use, or disposal of hazardous materials, not including gasoline or other motor fuels? | ___ | ___ | ___ | <u>X</u> |
|--|-----|-----|-----|----------|

Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
---	---	------------------------------------	--------------

The development and maintenance of housing does not create a significant hazard to the public.

- | | | | | | |
|----|---|---|---|---|------------|
| 2. | Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? | — | — | — | <u>X</u> . |
| 3. | Create a safety hazard for people residing or working in the project area as a result of dangers from aircraft using a public or private airport located within two miles of the project site? | — | — | — | <u>X</u> . |
| 4. | Expose people to electro-magnetic fields associated with electrical transmission lines? | — | — | — | <u>X</u> . |
| 5. | Create a potential fire hazard? | — | — | — | <u>X</u> . |
| 6. | Release bioengineered organisms or chemicals into the air outside of project buildings? | — | — | — | <u>X</u> . |

The Housing Element is a planning document *to* guide future housing policy. Because it does not make specific reference *to* any given area, there is no potential impact. Each development proposal *will* necessitate independent review of environmental impacts.

H. Transportation/Traffic

Does the project have the potential to:

- | | | | | | |
|----|---|---|---|---|------------|
| 1. | Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)? | — | — | — | <u>X</u> . |
|----|---|---|---|---|------------|

	Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
2. Cause an increase in parking demand which cannot be accommodated by existing parking facilities?	___	___	___	<u>X</u> .
3. Increase hazards to motorists, bicyclists, or pedestrians?	___	___	___	<u>X</u> .
4. Exceed, either individually (the project alone) or cumulatively (the project combined with other development), a level of service standard established by the county congestion management agency for designated intersections, roads or highways?	___	___	___	<u>X</u> .

The Housing Element *is* a planning document to guide future housing policy. Because it does not make specific reference to any given area, there *is no* potential impact. Each development proposal will necessitate independent review of environmental impacts. *It* is likely that the cumulative impact to levels *of service* in *certain* areas may be impacted by the development anticipated in the Housing Element. However, until projects are specifically proposed, the exact impact to the levels of service cannot be quantified.

I. Noise

Does the project have the potential to:

1. Generate a permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	___	___	___	<u>X</u> .
2. Expose people to noise levels in excess of standards established in the General Plan, or applicable standards of other agencies?	___	___	___	<u>X</u> .
3. Generate a temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	___	___	___	<u>X</u> .

The Housing Nement is a planning document to guide future housing policy. Because *it* does not make specific reference to any given area, there is no potential impact. Each development proposal *will* necessitate independent review of environmental *impacts*.

Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
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J. Air Quality

Does the project have the potential to:
(Where available, the significance criteria established by the MBUAPCD may be relied upon to make the following determinations).

- | | | | | |
|--|---|---|---|------------|
| 1. Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | — | — | — | <u>X</u> . |
| 2. Conflict with or obstruct implementation of an adopted air quality plan? | — | — | — | <u>X</u> . |
| 3. Expose sensitive receptors to substantial pollutant concentrations? | — | — | — | <u>X</u> . |
| 4. Create objectionable odors affecting a substantial number of people? | — | — | — | <u>X</u> . |

K. Public Services and Utilities

Does the project have the potential to:

- | | | | | |
|---|---|---|---|-------------|
| 1. Result in the need for new or physically altered public facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services: | | | | |
| a. Fire protection? | — | — | — | <u>X</u> . |
| b. Police protection? | — | — | — | <u>X</u> . |
| c. Schools? | — | — | — | <u>X</u> . |
| d. Parks or other recreational facilities? | — | — | — | <u>X</u> . |
| e. Other public facilities; including the maintenance of roads? | — | — | — | <u>X</u> .. |

Upon complete buildout of units anticipated under the Housing Element, more services will be required than currently exist. However, the exact impact to on the services

Significant Or Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
---	---	------------------------------------	--------------

necessary cannot be anticipated at this time.

- | | | | | | |
|----|---|-----|-----|-----|---|
| 2. | Result in the need for construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | ___ | ___ | ___ | X |
|----|---|-----|-----|-----|---|

The Housing Element **is** a planning document to guide future housing policy. Because it does not make specific reference to any given area, there is *no* potential impact. Each development proposal will necessitate independent review of environmental impacts.

- | | | | | | |
|----|---|-----|-----|-----|---|
| 3. | Result in the need for construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | ___ | ___ | ___ | X |
|----|---|-----|-----|-----|---|

Development **within** the parameters of the **1994** General Plan densities would not result in ~~the~~ need for new water or wastewater facilities, or expansion of existing facilities.

- | | | | | | |
|----|--|-----|-----|-----|---|
| 4. | Cause a violation of wastewater treatment standards of the Regional Water Quality Control Board? | ___ | ___ | ___ | X |
|----|--|-----|-----|-----|---|

No violation is anticipated.

- | | | | | | |
|----|--|-----|-----|-----|---|
| 5. | Create a situation in which water supplies are inadequate to serve the project or provide fire protection? | ___ | ___ | ___ | X |
|----|--|-----|-----|-----|---|

The Housing Element is a planning document to guide future housing policy. Because **if** it does not make specific reference to any given area, there is *no* potential impact. Each development proposal will necessitate independent review of environmental impacts.

- | | | | | | |
|----|--|-----|-----|-----|---|
| 6. | Result in inadequate access for fire protection? | ___ | ___ | ___ | X |
| 7. | Make a significant contribution to a cumulative reduction of landfill capacity or ability to properly dispose of refuse? | ___ | ___ | ___ | X |

Significant Or Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
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The Housing Element is a planning document to guide future housing policy. Because *it* does not make specific reference to any given area, there ~~is~~ no potential impact. Each development proposal will necessitate independent review of environmental impacts.

- | | | | | |
|--|-----|-----|-----|------------|
| 8. Result in a breach of federal, state, and local statutes and regulations related to solid waste management? | ___ | ___ | ___ | <u>X</u> . |
|--|-----|-----|-----|------------|

L. Land Use, Population, and Housing

Does the project have the potential to:

- | | | | | |
|---|-----|-----|-----|------------|
| 1. Conflict with any policy of the County adopted for the purpose of avoiding or mitigating an environmental effect? | ___ | ___ | ___ | <u>X</u> . |
| 2. Conflict with any County Code regulation adopted for the purpose of avoiding or mitigating an environmental effect? | ___ | ___ | ___ | <u>X</u> . |
| 3. Physically divide an established community? | ___ | ___ | ___ | <u>X</u> . |
| 4. Have a potentially significant growth inducing effect, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | ___ | ___ | ___ | <u>X</u> . |

No development or infrastructure extension are part of *this* project. Developments occurring under the Housing Element would be evaluated specifically upon project proposal.

- | | | | | |
|--|-----|-----|-----|------------|
| 5. Displace substantial numbers of people, or amount of existing housing, necessitating the construction of replacement housing elsewhere? | ___ | ___ | ___ | <u>X</u> . |
|--|-----|-----|-----|------------|

M. Non-Local Approvals

Does the project require approval of federal, state, or regional agencies?

Yes X No ___

Which agencies? California Department of Housing and Community Development.

N. Mandatory Findings of Significance

1. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant, animal, or natural community, or eliminate important examples of the major periods of California history or prehistory? Yes — No X .

2. Does the project have impacts that are individually limited, but cumulatively considerable (cumulatively considerable means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, and the effects of reasonably foreseeable future projects which have entered the Environmental Review stage)? Yes — No X .

3. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? Yes — No X .

TECHNICAL REVIEW CHECKLIST

REQUIRED COMPLETED* L A

APAC REVIEW	_____	_____	<u> X </u> .
ARCHAEOLOGIC REVIEW	_____	_____	<u> X </u> .
BIOTIC ASSESSMENT	_____	_____	<u> X </u> .
GEOLOGIC HAZARD ASSESSMENT	_____	_____	<u> X </u> .
GEOLOGIC REPORT	_____	_____	<u> X </u> .
RIPARIAN PRE-SITE	_____	_____	<u> X </u> .
SEPTIC LOT CHECK	_____	_____	<u> X </u> .
SOILS REPORT	_____	_____	<u> X </u> .
OTHER:			
_____	_____	_____	_____ .
_____	_____	_____	_____ .
_____	_____	_____	_____ .
_____	_____	_____	_____ .
_____	_____	_____	_____ .
_____	_____	_____	_____ .

"Attach summary and recommendation from completed reviews

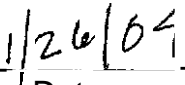
List any other technical reports or information sources used in preparation of this initial study:

ENVIRONMENTAL REVIEW ACTION

On the basis of this initial evaluation:

- ☒ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described below have been added to the project. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.


Signature


Date

For: 
Environmental Coordinator

Attachment: Draft Housing Element
(on file with the Planning Department)

ERRATA					
Strikeout Version		Clean Version		Change from:	Change to:
Page	Location	Page	Location		
List of Tables	After 4.6.3	List of Tables	After 4.6.3		Add "4.6.4 Already Developed Housing 1/2000 - 10/2004"
	3 rd paragraph, end of first line, last word	1	3 rd paragraph, end of first Line, Last word	"for"	"to"
	line	2	Last paragraph, 3 rd line	"twelve sections"	"eleven sections"
	First full paragraph, last word on 6 th line	3	First full paragraph, last word on 6 th line	"in"	"it"
12	Last paragraph, 2 nd line	12	Last paragraph, 2 nd line	"permits issues"	"permits issued"
36	Second paragraph, 7 th Line	36	Second paragraph, 7 th Line	"option"	"options"
37	Homeless People, first paragraph, 5 th line	37	Homeless People, first paragraph, 5 th line	"transitional housing; shelters or voucher programs"	"transitional housing, shelters or voucher programs"
47	4 th paragraph	47	4 th paragraph		Move to follow the second paragraph
61	First paragraph, second line	61	First paragraph, second Line	"5.605"	"5,605"
63	First paragraph, second line	63	First paragraph, second line	Move the phrase "have difficulty acquiring housing" to the line above between "disabilities" and "accessible".	
63	Last paragraph, last line	63	Last paragraph, Last line	"\$807"	"\$807 per month"

oh

EXHIBIT F

ERRATA					
Strikeout Version		Clean Version		Change from:	Change to:
Page	Location	Page	Location		
69	Second paragraph, 9 th line	69	Second paragraph, 9 th line	"California's"	"California"
70	First paragraph, 5 Line	70	First paragraph, 5 th Line	"north County"	"in north County,"
89	2 nd full paragraph, last line	89	2 nd full paragraph, Last line	"Appendix D"	"Appendix H"
89	Last paragraph, 3 rd line	89	Last paragraph, 3 rd line	"Appendix D"	"Appendix H"
	First paragraph, 3 rd line	92	First paragraph, 2 nd line	"Appendix D"	"Appendix H"
95	Last paragraph, 3 rd line	95	2 nd full paragraph, 3 rd Line	Remove "to meet the needs of the homeless" (repetitive)	
101	First line	100	"Curb and Gutter", 3 rd line	"set for"	"set forth"
101	Design Standards: last paragraph, last sentence	100	End of last full paragraph	"is outweighed by the cost"	"outweighs the cost"
109	First full paragraph, 2 nd line	108	First full paragraph, 2 nd line	"This criteria includes"	"The criteria includes"
111	First paragraph, 6 th line	110	First paragraph, 9 th Line	"act as a deterrent"	"acts as a deterrent"
115	2 nd paragraph, 4 th line	114	First full paragraph, 4 th Line	"difficulties"	"difficulty"
115	2 nd paragraph, 5 th line	114	First full paragraph, 5 th Line	"estimates"	"estimated"

ERRATA					
Strikeout Version		Clean Version		Change from:	Change to:
Page	Location	Page	Location		
116	2 nd paragraph 3 rd line	115	First full paragraph, 3 rd line	"two months"	"two months"
119	First paragraph, last sentence	117	Last paragraph, last sentence	Remove last sentence.	
120	First full paragraph, last line	119	First full paragraph, last line	Remove "[data to be verified]"	
121	Endangered Species, first line	120	Endangered Species, first line	"plant"	"plants"
123	4.6.1, Last paragraph, first line	123	4.6.1, Last paragraph, first line	"there are substantial"	"there is a substantial"
123	4.6.1, 2 nd paragraph, 4 th line	123	4.6.1, 2 nd paragraph, 4 th line	"30,557"	"28,091" to be consistent with chart
126	Table 4.6.3, a. Units Developed + Total Units	126	Table 4.6.3, a. Units Developed + Total Units	"1,541"	"1,105" (Addition error)
126	Table 4.6.3, Total - New Units + Total Units	126	Table 4.6.3, Total - New Units + Total Units	"4,187"	"4,122" (Addition error)
127	Table title	127	Table title	"4.6.3 - Summary of Sites by Affiliability Level of Housing Element 2000-2007"	"4.6.4 - Summary of Sites by Affiliability Level of Housing Element 2000-2007"
131	2 nd full paragraph, last line	131	2 nd full paragraph, last line	"improvement"	"improvements"

ERRATA					
Strikeout Version		Clean Version		Change from:	Change to:
Page	Location	Page	Location		
131	Last paragraph, 6 th line	131	Last paragraph, 6 th line	"the density is the same"	"the density and the economics are the same"
134	i. Short Term Occupance Conversion to Permanent Occupancy, first paragraph, 4 th line	134	i. Short Term Occupance Conversion to Permanent Occupancy, first paragraph, 4 th line	"196 potential units"	"242 potential units"
136	First full paragraph	136	First full paragraph	"As has been demonstrated, the likelihood"	"Although it has been demonstrated that the likelihood"
136	4.6.5, First paragraph, 9 th line	136	4.6.5, First paragraph, 9 th line	"based n"	"based on"
132	4.7.1, 2 nd paragraph, 2 nd Line	139	4.7.1, 2 nd paragraph, 2 nd Line	Remove ", including quar ified objectives where appropriate"	
141	Policy 4.6, first line	147	Policy 4.6, first line		Remove "employee"
142	Objective 5.2, first line	148	Objective 5.2, first line	"need"	"needs"
143	Policy 5.2, 2 nd line	148	Policy 5.2, 2 nd line	Spelling error, coordination	
146	Affordable Housine Quantified Objectives, 2 nd paragraph, 5 th line	151	Affordable Housing Quantified Objectives, 2 nd paragraph, 5 th line	"available and existing programs new programs"	"available existing programs and new programs"
149	First partial paragraph, 2 nd line	153	Last paragraph, 4 th line	"should be have"	"should have"

ERRATA					
Strikeout Version		Clean Version		Change from:	Change to:
Page	Location	Page	Location		
149	Table identification	154 (not necessary to correct)		Table Title: "Table 4.7.1 Summary of Sites by Affordability Level for Housing Element 2000-2007"	
150	Table 4.7.1, a. Units Developed + Total Units	154	Table 4.7.1, a. Units Developed + Total Units	"1,541"	Addition error - "1,105"
151	Table 4.7.1, Total - New Units + Total Units	155	Table 4.7.1, Total - New Units + Total Units	"4,187"	Addition error - "4,122"
154	Program 1.5, 2 nd to Last Line of program description	157	Program 1.5, 2 nd to last line of program description	"Revise ordinance"	"Review ordinance"
165	Program 3.2, Funding, 3 rd line	166	Program 3.2, Funding, 3 rd line	"work with"	"working with"
165	Program 3.5, Program Description, 1 st line	167	Program 3.5. Program Description, 1 st line	"amendment to its"	"amendment to the"
170	Program 4.3, Program Description, 2 nd line	171	Program 4.3, Program Description, 2 nd Line	"funds; longest"	"funds, Longest"
170	Program 4.5, Program Description, 8 th line	172	Program 4.5. Program Description, 8 th line	"to support the creation and support of currently active projects"	"to support the creation of new and currently active projects"
171	Program 4.9, Program Description, 1 st line	173	Program 4.9, Program Description,	"survey or"	"survey of"

ERRATA					
Strikeout Version		Clean Version		Change from:	Change to:
Page	Location	Page	Location		
			1 st line		
176	Program 5.14, Program Description, 2. and 3.	177	Program 5.14, Program Description, 2. and 3.	"(within one year of certification)"	"(June 2006)"
222	3 rd whole paragraph, last line	222	3 rd whole paragraph, last line	Delete Last line: "Additional Planning Commission public hearings are to be scheduled, as are public hearings before the Board of Supervisors prior to final adoption of the Element."	
Appendix F		Appendix F			Remove "Rio Sands"
Appendix F		Appendix F		TOTAL: 292	TOTAL: 242

45

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
www.hcd.ca.gov

EXHIBIT G



August 8, 2003

Mr. Alvin D. James
Planning Director
Santa Cruz County
701 Ocean Street, Suite 310
Santa Cruz, California 95060

Dear Mr. James:

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

Thank you for submitting Santa Cruz County's draft housing element received for our review on June 10, 2003. The Department of Housing and Community Development (Department) is required to review draft housing elements and report our findings to the locality pursuant to Government Code Section 65585(b). A telephone conversation on August 1, 2003 with Mr. Mark Deming and Ms. Juliann Ward, of your staff, facilitated our review,

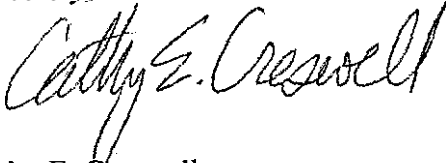
The County is commended for its Modular Second Unit and Farmworker Housing Programs, both of which use pre-approved housing plans to facilitate the permit and approval processes. However, a number of revisions will be necessary for element to comply with State housing element law (Article 10.6 of the Government Code). Specifically, the County must identify residential sites at appropriate densities to facilitate the development of low- and moderate-income housing, and strengthen a number of programs to demonstrate the County's commitment to address the current and projected housing needs for the unincorporated County. These and other revisions are more fully described in the enclosed Appendix.

We hope our comments are helpful. If you have any questions or would like our assistance, please contact Paul Dirksen, Jr., of our staff, at (916) 445-5307. We would be happy to arrange a meeting in either Santa Cruz or Sacramento to provide any assistance needed to facilitate your efforts to bring the element into compliance.

Also, we are pleased to report, as a result of the passage of Proposition 46, a historic increase in funds available, on a competitive basis, through the Department to assist in addressing housing and community development needs. Information on these programs, including Notices of Funding Availability (NOFA), will be posted on the Department's website. For program information and funding availability, please consult our homepage at www.hcd.ca.gov.

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

Enclosures

cc: 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 Weiner, 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.
Amie 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

APPENDIX

County of Santa Cruz

The following changes would bring Santa Cruz County's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element information is available on our website: www.hcd.ca.gov/hpd which may be of assistance. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. The Housing Elements section contains the Department's publication, *Housing Element Questions and Answers (Qs & As)* and the Government Code addressing State housing element law.

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)).*

While the element reviews the current schedule and status of the County's housing programs, the element does not describe the actual results of programs, lacks an analysis of the effectiveness of its measures, and does not describe how the current element has been revised based on an analysis of the County's programs. For example:

9. Allowance of Residential Uses in Commercial Zones – While the element states several commercial zones now allow residential development and may receive fee and parking reductions, the element does not describe whether this program resulted in any new mixed-use applications or if further incentives are needed to facilitate mixed-use development. For example, the County may find that the floor area ratio limitations may limit the effectiveness of this strategy for new mixed-use development.

20. Coordination with New Community Housing Program Initiatives – The County reports that staff participated in this five-year initiative to address housing issues; however, the element fails to evaluate and report on this program's success or failure and on whether changes could be made to further the objectives of this program or a similar program.

35. Study of Farmworker Housing needs – While the element reports on results from some of the actions of this program, the results of other program actions were not described or evaluated. For instance, the element does not state whether farmworker housing sites were specified in the General or Coastal Plans; no results are discussed on clustered housing for farmworkers; and, it is unknown whether the County sought funds for farmworker housing. The element should include the results of the actions associated with this program and evaluate the success.

B. Housing Needs, Resources, and Constraints

1. *.Include the locality's share of the regional housing need in accordance with Section 65584.*

As you know, the County's share of the regional housing need totals 3,441 dwelling units, comprised of 937 very low-income, 502 low-income, 651 moderate-income, and 1,351 above moderate-income housing units. The element includes two tables (Table 4.6.2, pages 108 and 109, and Table 4.6.2 included as Appendix D) to describe how the County will accommodate its share of the regional housing needs. Table 4.6.2, is predicated on the County's preferred housing need alternative, which was not approved by AMBAG, the entity responsible for distribution of the regional housing needs assessment. The element must utilize the appropriate regional housing need determination (RHNA) as established by AMBAG.

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

The element includes the total number of overcrowded housing units in Santa Cruz County; however it should include an estimate of overcrowding by tenure for the unincorporated county. For your information, Census 2002 data indicate there were 1,678 owner-occupied and 2,089 renter-occupied overcrowded housing units in the unincorporated area. The element should incorporate this information into the element and determine if new program measures are needed to reduce overcrowding.

While the element includes information on the age of the housing stock in aggregate, its fails to provide an estimate of housing rehabilitation and replacement needs. The County should further evaluate census data of unincorporated urban pockets to estimate housing rehabilitation needs. The County should supplement census data with information gained from code enforcement, non-profit and for profit developers, or other sources to estimate the housing rehabilitation and replacement needs in the unincorporated County. Please refer to our *Qs and As* publication, (page 8), for additional assistance with this requirement.

3. *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)).*

- a. The land inventory must be expanded to demonstrate sites identified for residential development are appropriately zoned to accommodate Santa Cruz County's share of the regional housing need, and either have or have planned access to infrastructure and public facilities. Appendix D, categorizes housing development by income groups, however, it is unclear how Appendix A-1(a-c), a parcel land inventory of vacant and underutilized sites, corresponds to the Appendix D. The County should clearly demonstrate the parcels in Appendix A-1(a-c) can achieve the housing unit development potential in Appendix D.

Appendix A-1(a-c), identifies parcels by zoning categories and anticipated development potential of these sites, however it does not appear that any of the parcels would accommodate development at the permitted densities. For example, page 211 identifies two large sites zoned RM-4-GH with a combined development potential of 70 units, yet, the calculated densities for these sites is between 8 and 8.5 units per acre. Therefore, the element will need to more clearly demonstrate how the capacities of sites for multifamily development could accommodate and facilitate the development of housing for lower-income households.

The element should identify the zones that can accommodate the County's regional need for lower-income households. Table 4.6.2, is footnoted to provide explanation of the assumptions supporting the development potential by income group. For example, footnote 3 describes the amount of land zoned RM-2.5, RM-3 and RM-4 in aggregate to accommodate housing for very-low and low-income households. Given the cost of land and construction in Santa Cruz County, the element should demonstrate how RM-2.5 zoned land, which allows 17.4 du/acre; RM-3 zoned land, which allows 14.5 units/acre and RM-4 zoned land, which allows 10.6 units/acre could accommodate housing development for lower-income (very low and low) households. The element appears to indicate with density bonus provisions and use of redevelopment funds and other State and federal funding sources these sites could accommodate three hundred lower-income units. Absent strong implementation programs, tying funding to particular sites, the development potential for housing for lower-income households at these densities appears unrealistic. We support the County's desire to sustain and conserve its natural beauty and resources; however, it is critical for development policies and standards to balance the County's conservation objectives with requirements to accommodate future growth. Promoting more compact development patterns and higher density projects would support and further the County's efforts to preserve natural resources.

- b. The element includes a number of projects which have been built or approved for low- and moderate-income households. The element will need to include the financing source/type or rental rates or housing costs to demonstrate the affordability of the following projects:
 1. The McGregor Project.
 2. Vista Verde, Pajaro Lane, and McIntosh.
 3. San Andreas, and Marmo's developments.
- c. **Coastal Development, Permit** - The element indicates coastal zone restrictions and requirements imposed on residential permits may constrain development, therefore, the element should describe and analyze the impacts of these restrictions and requirements on the development of housing in the Coastal Zone. In addition, the element should clarify which sites in the parcel inventory are subject to Coastal Permit approvals.
- d. Clarify the following strategies identified in the element:

The housing site inventory assumes a number of units created through a density bonus ordinance. As we stated in a previous review letter, potential density bonus units cannot be counted as an adequate sites program.

Mixed-Use – Appendix B includes an aggregate land inventory of commercial properties in five County urban areas and provides assumptions on probable residential development potential on vacant and underutilized commercial properties. The element should clarify the realistic development potential within the planning period based on development trends, market conditions, development standards and incentives to encourage mixed-use.

Institutional Employee Housing - The County anticipates the development of 85 housing units by local educational facilities for their employees. The element should clarify these will be housing units, in accordance with the Census definition, and the expected sales or rental costs to confirm the affordability of these units.

Visitor Accommodations and Conversion of Transient Occupancy to Permanent Housing Clarify how the County determined the unit count for additional very-low income units. We understand the Marmo Trailer and Golden Torch RV parks were converted from “temporary” uses to permanent housing, through a land sale and establishment of manufactured housing on permanent foundations. The element should clearly describe how the unit count was derived, what sites or current trailer park units will be converted and explain the County’s role in facilitating the conversion.

SRO Development - The element should also clarify how 30 additional SRO units will be converted from transient occupancy or other commercial uses. The element should include a specific program, listing the current uses expected to convert to single room occupancy units and describe the County’s efforts to facilitate this conversion. The county should ensure that conversion of existing transient uses will not result in displacement of lower-income households.

4. *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 exncions 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** - Expand the description and analysis of the County’s land-use controls for residential development. Currently, the element provides general plan land-use designations but it does not describe or analyze zoning designations, as defined in the County zoning ordinance. For example, page 85 provides general information about the County’s multifamily residential district zoning and indicates RM-6 requires a 6000 square foot minimum per dwelling unit. The element should include a listing of the various zoning designations which describes: front, back and side yard set backs, lot coverage and/or floor area ratios, and density ranges by zoning category. These land-use controls and the County’s height limitation of 28 feet should be analyzed for their cumulative effect on the cost and supply of new housing development.

Although the element declares parking requirements do not constrain housing development; there is no analysis of the requirement for three off-street spaces for new single-family

development or two to three parking spaces per multifamily unit. While the element indicates this is the minimum required by most jurisdictions, you may be interested to know that the City of Santa Cruz parking requirements range from one to three spaces, and three parking spaces are only required for four-bedroom units, and Watsonville generally requires two off-street parking spaces per unit. The element must analyze its parking requirements and, if necessary, include a program to reduce or otherwise mitigate this potential constraint.

The element should clarify the distinction in land use controls for urban and rural districts and link this information to the land inventory. Absent a more clear relationship distinguishing urban and rural residential development standards and which standards apply to the parcels identified in Appendix D, the parcel inventory cannot be fully evaluated.

Fees and Exactions - While the element provides fee samples for two single family housing units, one urban and one rural, the element does not provide information on fees and exactions on multifamily development, nor does the element include an analysis of fees and exactions. The element should be revised and include an analysis of fees and exactions on the cost and supply of housing for all economic segments of Santa Cruz County.

On and Off-Site Improvements - Describe and analyze required residential on and off-site improvements such as: curbing, streets, circulation improvements and open space requirements.

Permit Processing - The element indicates discretionary permits are required for subdivision of 5 or more lots and subdivisions greater than 19 lots require public hearings. In addition, multifamily units of 5 units or more require a public hearing before the planning commission and projects with 19 or more units must be approved by the Board of Supervisors. While the element describes how the County makes efforts to process applications in a timely manner, the element lacks an analysis of the discretionary approval process on the cost and supply of housing, particularly for multifamily development.

Measure J - Describe and analyze the effects of the County's growth management system on the cost and supply of housing. The element states that very-low, low- and moderate-income priced housing is exempt from Measure J and in any given year the permit request is less than the allocations allowed under Measure J. The element should be revised to fully describe the annual allocation system, analyze the effects of the unit allocation on the cost and supply of housing, and demonstrate Measure J will not prohibit the County from accommodating its share of the regional housing need. **An** updated analysis, similar to that included in the previous element could address this requirement.

Constraints on Housing for Persons with Disabilities - In accordance with recently enacted legislation (Chapter 671, Statutes of 2001), the element should analyze the potential and actual governmental constraints on the development of housing for persons with disabilities and demonstrate the County's efforts to remove governmental constraints on housing for person with disabilities, such as accommodating procedures for the approval of group homes, ADA retrofit efforts, and evaluation of *the* zoning code for **ADA** compliance or other measures that

provide flexibility in the development of housing for persons with disabilities. We will send the State statutes, technical assistance information, and examples to assist with this requirement.

5. *Analyze any special housing needs, such as those of elderly and large families. (Section 65583(a)(6)).*

While the element includes an analysis of elderly and large family housing needs for the County, the element should also include tenure information and determine if specific program actions are needed to address the needs of elderly and large family renter households. For your information there were 7,519 elderly owner households and 1,525 elderly renter households according to the 2000 census. In addition, there were 3,418 owner households and 1,843 renter households with five or more persons. The element should include this information and determine if additional programmatic responses are warranted.

6. *Include an analysis of existing assisted housing development that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions (Sections 65583(a)(8) through 65583(a)(8)(A)).*

As we discussed on the telephone call, the element should include a comprehensive inventory of assisted units in the unincorporated County, including federally, State and locally assisted housing units with affordability restrictions. The inventory should include a listing of each development by project name, address, type of assistance received, and the earliest possible date assisted units could convert to market-rate housing. The element should conduct an analysis of the assisted units which could pre-pay or opt-out of subsidy contracts within the next ten years. Furthermore, the element should specifically identify funding sources to preserve assisted units from being lost from the affordable housing stock in Santa Cruz County. We are sending you a copy of the Department's Qs & As publication and an inventory of assisted units in Santa Cruz County under a separate cover.

B. Housing Programs

1. *Identify adequate sites which **will** be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of **housing** for very low- and low-income households (Section 65583(c)(1)).*
 - Absent a complete land inventory, it is impossible to determine the adequacy (zoning, public services and facilities) of identified sites to accommodate its share of the Regional Housing Need.

- The element does not identify where emergency shelters and transitional housing may be sited. Therefore, the element should be amended to identify sites or zones where such uses are allowed as a permitted or conditional use, and describe how the conditions encourage and facilitate the development of emergency shelters and transitional housing.
 - The following programs should be strengthened to assist in addressing the adequate sites requirements:
 - a. Expand **Live/Work** Mixed-Use Development – This program may be able to assist in identifying additional sites to accommodate the low- and moderate-income income portion of the RHNA, however it should specify the amount of land that will be redesignated and estimate the realistic development capacity.
 - b. Mixed-Use **Housing** Incentives – The element indicates the County will “consider” revising the ordinance to adopt incentives, but does not commit to a date when incentives will be adopted. Since the County is relying on mixed–use sites to address so much of the RHNA, strong program actions are critical.
 - c. Second-Unit Incentives – The program should specify the fees to be reduced and how the County will encourage utility companies to provide incentives.
 - d. Reduce Capital Improvement Fees for Second Units – The program should be revised to clearly articulate revisions to the County Code and Unit Fee Schedule to reduce second-unit construction costs.
 - e. Review Commercial and Industrial Land **for Residential** Suitability – To demonstrate this program could provide sites within the planning period, it must include a specific implementation schedule to make the necessary rezonings to facilitate residential development.
 - f. **Promote Dwelling** Groups – The element should specify how the County Planning Department and Board of Supervisors will promote attached dwelling units and the date the County’s ordinance will be amended to encourage duplexes and triplexes.
2. *Provide information on the redevelopment agency’s role in the County’s effort to encourage the development of a **variety** of housing types for all **income** levels (Section 65583(c)).*

The element should project the amount of tax increment revenue anticipated to accrue to the County’s low and moderate-income housing fund for the planning period and describe the planned use of those funds.

3. *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)).*

The following programs will need to be strengthened, demonstrating a commitment by the County to assist in the development of housing for low- and moderate-income households.

Legal Conversion of Transient Occupancy Use Facilities to Permanent Use - The element includes an objective in the land inventory to facilitate conversion of transient uses to add 120 units to the permanent housing stock; however, this objective is based on the conversion of three RV park conversions since 2000. - The element will need to specifically identify current projects and include the number of units the County will assist to convert from transient use to permanent housing. The County should include a program action to implement this objective.

Establish Housing Trust Fund - This potentially promising program could be strengthened demonstrating the County's commitment to establish a housing trust fund. We understand research may be necessary to determine potential funding sources and management entity; however, the County should commit to complete the research early in the planning period and develop implementation steps to fulfill the program objective to measure the effectiveness of this program on the development new housing.

Leverage Additional Affordable Housing Funds - This program should specify the funding assistance programs the County will pursue and identify timelines for applying for identified funding assistance.

Self Help Affordable Ownership Housing Program - Describe how the County will support the efforts of Habitat for Humanity or other non-profit organizations to produce ownership housing opportunities for low- and moderate-income households. For example, the County may identify redevelopment or government surplus sites, reduce development standards or otherwise provide incentives.

Reduce Capital Improvement Fees for Larger Affordable Household Units in Large Projects - This program could specifically commit the County to fee reductions and include a date for the projects completion.

4. *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.

5. *The housing program shall promote equal **housing** opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color (Section 65583(c)(5).*

33. Fair Housing Information – The element indicates fair housing resources are available through the County website. This program, if evaluated, should have been revised to provide fair housing information at all County office locations, and through other County supported organizations. It is likely that at least some County residents may not have access to the internet, or require information in their native language. The element should clearly demonstrate the County makes fair housing information available to the public and has a mechanism to address or refer housing discrimination complaints

D. Public Participation

Local governments shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)).

While the element indicates a number of community workshops will be conducted to educate the public on housing element requirements, the update process and housing element contents, it fails to demonstrate how the County has developed this element with input from all economic segments of the unincorporated County. The County should ensure that its efforts to achieve public input reflects a diligent effort to include lower-income persons and households and special needs populations. Please refer to page 1 of the *Qs and As* publication, provided by our department.

FINDINGS OF CONSISTENCY WITH GOVERNMENT CODE SECTION 65580 ET SEQ.
REGARDING HOUSING ELEMENT REQUIREMENTS

California Government Code sections 65580 through 65589.8 specify the required content and procedure for adoption of a Housing Element of a General Plan. The following findings indicate that the Santa Cruz County Housing Element is consistent with these Government Code requirements.

Government Code Section 65580 (Legislative Findings)

This section declares that the State's legislative intent is to provide housing for all income groups while recognizing that "in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan..." Section 4.7 of the County's Housing Element establishes the goals, objectives, policies and programs consistent with this declaration. Section 4.5 of the County's Housing Element recognizes the environmental and fiscal constraints of providing housing to satisfy the regional housing need goal by 2008. Section 4.6 elaborates on the County's efforts to provide its fair share of the regional housing need.

Government Code Section 65581 (Legislative intent to Recognize Local Responsibility in Contributing to the Attainment of the State Housing Goal)

Section 4.7 of the County's Housing Element contains existing and new programs addressing creation and preservation of residential development. These programs are designed to enhance the County's affordable housing resources and to assure that a fair share of that housing is affordable to very low, low and moderate income households. Appendices A through F of the County's Housing Element further elaborate on the County's efforts to provide its fair share of the regional housing need.

Government Code Section 65582 (Definitions)

The Santa Cruz County Housing Element terminology is consistent with the definitions used in this section.

Government Code Section 65583(a)(1) (Population and Housing Need Projections)

Sections 4.2 and 4.3 of the County's Housing Element contain data and projections regarding population and employment trends in Santa Cruz County, and the County's share of the Regional Housing Need.

Government Code Section 65583(a)(2) (Household and Housing Characteristics)
Section 4.2 contains documentation and analysis of Santa Cruz County's housing characteristics, including overcrowding, ability to pay and housing stock conditions.

Government Code Section 65583(a)(3) (Land Inventory)

Section 4.6 of the County's Housing Element details the quality and quantity of vacant and underutilized properties within the unincorporated County suitable for residential development including very low, low, moderate and above moderate income housing. The county analyzed the build out potential of the County and designed an inventory utilizing accurate estimations of building coverage for various land uses. In addition, Appendices A through F of the County's Housing Element specifically identifies vacant sites and sites with redevelopment potential, and evaluates them in terms of their zoning and other characteristics.

Government Code Section 65583(a)(4) (Governmental Constraints)

Section 4.5 analyses the 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 requirements, and local processing and permit procedures. In addition, the County's Housing Element highlights local efforts to remove government constraints affecting the County's ability to meet its regional housing need allocation, and provide housing for all income levels and persons with disabilities.

The County's Housing Element describes how the County's growth management system has not been a factor constraining residential growth. In fact, the current growth management system requires a minimum of fifteen percent (15%) of residential development to be affordable. The County Redevelopment Agency provides additional affordable housing opportunities. A discussion of affordable projects already constructed within the planning period is included in Chapter 4.6.

Government Code Section 65583(a)(5) (Nongovernmental Constraints)

Section 4.5 of the County's Housing Element contains an analysis of existing and potential nongovernmental constraints upon the maintenance, improvement and development of housing for all income levels in the County. This section states that the high cost of land in Santa Cruz County has become a major constraint to the production of affordable housing. This section also discusses the available land and infrastructure as important factors affecting housing production in the County.

Government Code Section 65583(a)(6) (Special Housing Needs)

Section 4.3 of the County's Housing Element contains an extensive discussion and analysis of special housing needs, including the needs of those who are homeless, elderly, large families, female headed households, disabled, farmworkers, and students. Within this section is a listing of housing resources and other resources available to households in these groups.

Government Code Section 65583(a)(7) (Energy Conservation)

Section 4.8 provides information about the County's energy conservation program pertaining to residential development. In particular, this section notes that the County has special land use design criteria requiring proper development orientation to allow passive solar application.

Government Code Section 65583(a)(8) (Assisted Housing At-Risk of Conversion to Market Rate)

Section 4.4 of the County's Housing Element presents a list and analysis of assisted housing at risk of conversion. This section also describes the monitoring program in place to monitor at-risk housing and the protocol for preventing the loss of these threatened units.

Government Code Section 65583(b)(1) (Statement of Quantified Goals and Objectives)

Section 4.7 of the County's Housing Element specifies goals, objectives, policies and programs regarding the maintenance, preservation, improvement and development of housing in the unincorporated County. Time frames, responsible agencies and quantified objectives area also included in this section.

Government Code Section 65583(b)(2) (Quantified Objectives Need Not Be Identical to Total Housing Need)

Quantified objectives by income level for housing that can be constructed, rehabilitated and conserved during the 2000-2008 planning period within the County are included in Table 4.7.1 and are discussed in Section 4.7 of the County's Housing Element.

Government Code Section 65583(c) (Five Year Action Program to Implement Goals and Objectives)

Section 4.7 of the County's Housing Element contains the programs constituting the County's five year action program. In addition, Section 4.6 addresses vacant and underdeveloped land, and Appendices A through F present an inventory of land suitable for residential development. It should be noted that the County's Housing Element is not an autonomous document, in that it is a key part of the General Plan. As such, it must be internally consistent and interrelated with other General Plan elements. Several elements of the General Plan, especially the Land Use Element, should also be considered when evaluating housing opportunities provided by the Housing element. The specific requirements of Government Code Section 65583(c) are addressed as follows:

65583(c)(1) (Adequate Sites for Housing at all Income Levels)

Section 4.6 of the County's Housing Element discusses sites available on vacant and underdeveloped land, analyzes the urban area build out potential, the rural area build out potential, and non residential land. Infrastructure availability is considered in the analysis. Section 4.7

contains goals, objectives, policies and programs addressing the County's housing needs for the 2000-2008 planning period. Proposed Housing Element programs concern Promoting Production of Affordable Housing Units; Promoting the Use of Available Sites for Affordable Housing Construction and Provide Adequate Infrastructure; Sustaining Existing Affordable Housing Programs and Affordable Units; Increasing Funding for Affordable Housing; Promoting Production of Special Needs Housing; and Improving Conservation of Energy and Natural Resources. In addition, Appendices A through F identifies sites suitable for residential development at various densities for various income levels. Information on farmworker housing is available in Sections 4.3, 4.6 and 4.7.

65583(c)(2) (Adequate Housing for Low and Moderate Income Levels) Providing adequate housing to meet the needs of Low and moderate income households is specifically addressed by objectives, policies and programs in Section 4.7 of the County's Housing Element, as well as in other sections. Section 4.6 lists specific developments already completed which are designed for low and moderate income households. Section 4.3 identifies resources available to households with special needs. Appendices A through F identify sites for the development of low and moderate income housing.

65583(c)(3) (Governmental Constraints) Section 4.7 of the County's Housing Element sets forth the goals, objectives, policies and programs which address governmental constraints to housing, as well as other factors. Section 4.5 analyses the potential and actual government 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 requirements, and local processing and permit procedures. In addition, the County's Housing Element demonstrates local efforts to remove government constraints affecting the County's ability to meet its regional fair share requirements.

The County's Housing Element describes how the County's growth management system has not been a factor constraining residential growth. In fact, the current growth management system requires a minimum of fifteen percent (15%) of residential development to be affordable. The County Redevelopment Agency provides additional affordable housing opportunities. A discussion of affordable projects already constructed within the planning period is included in Chapter 4.6.

65583(c)(4) (Conserving Existing Affordable Housing Stock) Goal 3 of the County's Housing Element: Sustain Existing Affordable Housing Programs and Affordable Units specifically addresses the

conservation of existing affordable housing in the County. The objectives, policies, and programs under Goal 3 further address this State requirement.

65583(c)(5) (Equal Housing Opportunity)

Housing Element Goal 5: Promote Production of Special Needs Housing, responds to the statutory requirement of promoting housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status or disability. The objectives, policies, and programs under Goal 3 further address this State requirement. Additionally, a lengthy discussion of special needs populations and their specific housing needs is contained in Section 4.3 of the County's Housing Element.

65583(c)(6) (Preservation of Existing Low Income Developments)

Sections 4.3, 4.4 and 4.6 of the Housing Element contain Lists of assisted housing projects, with the type of assistance also noted. Section 4.4 establishes a monitoring program for "at risk" projects and a protocol for preventing the loss of these threatened units. Additionally, programs are included in Section 4.7 to specifically address this statutory requirement.

Government Code Section 65583.1 (Identification of Sites through Redesignation of Property)

Section 4.6 and Section 4.7 specify the use of a program by which the density on specific identified sites will be intensified to meet the need for very low and low income sites. Funding will be committed through this program to further ensure long term affordability of units produced.

Government Code Section 65583.2 (Requirements for Land Inventory)

Section 4.6 and Appendices A through F of the County's Housing Element set forth the specifications of the land inventory including parcel size, parcel number, vacant or existing use, zoning and General Plan designation, the availability of utilities, and other site specific information. Section 4.5 describes the County-wide environmental constraints to housing. The Affordable Housing Combining District described in Section 4.6 and implemented in Section 4.7 addresses the outstanding need. A description of the methodology of determining development potential for the Affordable Housing Combining District sites is included in Section 4.6. The Affordable Housing Combining District provides for housing development by right at a density of 20 units per acre in accordance with Government Code section 65583.2 (h). More than 75% of the acreage of the candidate sites in the Combining District are zoned residential and 38% of the acreage of the candidate sites must be designated under the Affordable Housing Combining District to meet the need.

Government Code Section 65584 (Share of Regional Housing Needs)

A discussion of the preparation of the projection of the County's Regional Housing Need for all income groups is contained in Section 4.3. of the County's Housing Element. The distribution of the Regional Housing Need Allocation by income level are also included in Section 4.3.

Government Code Section 65585 (Procedures for Housing Element submission, revision and reporting)

The County has followed the adopted procedures required by the Government Code for submittal of the County's Draft Housing Element to the Department of Housing and Community Development for its review and written findings. These Findings demonstrate and document the County's adoption of a Housing Element that substantially complies with the legal requirement of the State Housing Element Law (Government Code section 65580 et seq.) as required by Section 65585.

Government Code Section 65588 (Review and Revision of Housing Element in the Coastal Zone)

Due to delays in release of the Regional Housing Needs Determination (the "Determination") and pending lawsuits disputing the Determination, the County was delayed in submitting its Housing Element revision to HCD. However, the County has made every effort to submit the Housing Element revision to HCD in as timely a manner as is possible. Housing for persons of low and moderate income **with** in the County's Coastal Zone is addressed in Section **4.10** of the County's Housing Element.