



Santa Cruz County Community Development & Infrastructure Department

Santa Cruz County 6th Cycle Housing Element Update

Housing Advisory Commission
May 3, 2023

Meeting #1

Group Agreements



Meaningful?

- Results in actionable, measurable outcomes to increase housing and housing affordability
- Include the least advantaged/most vulnerable
- Public - facing work should be easily understood (at a 5th grade level) and translated into Spanish
- Commit to supporting the county and each other in these efforts and other efforts to increase housing and housing affordability – and to hold each other accountable!

Comfortable?

- Maintain a creative, constructive, and solutions - focused mindset
- Remember that we all share a common goal of increasing housing and housing affordability. Assume the best intentions of others
- Make space for all voices and listen openly and with respect to all ideas, questions, and perspectives
- Won't shy away from difficult issues
- Practice respectful meeting etiquette

Meeting Planning and Communications

- Each meeting has a clear purpose and focused agenda
- Each topic is explained in sufficient detail so as to provide a common level of understanding
- Questions are answered either during the meeting or afterward by email if we run out of time, so as to get through our planned agenda
- A summary is provided after each meeting and we summarize input shared at the previous meeting at the beginning of each meeting
- Meetings will be designed and facilitated to ensure that we stay on topic and that everyone's voice is heard

Meeting #2

Needs & Barriers



Meeting #2

Housing Needs



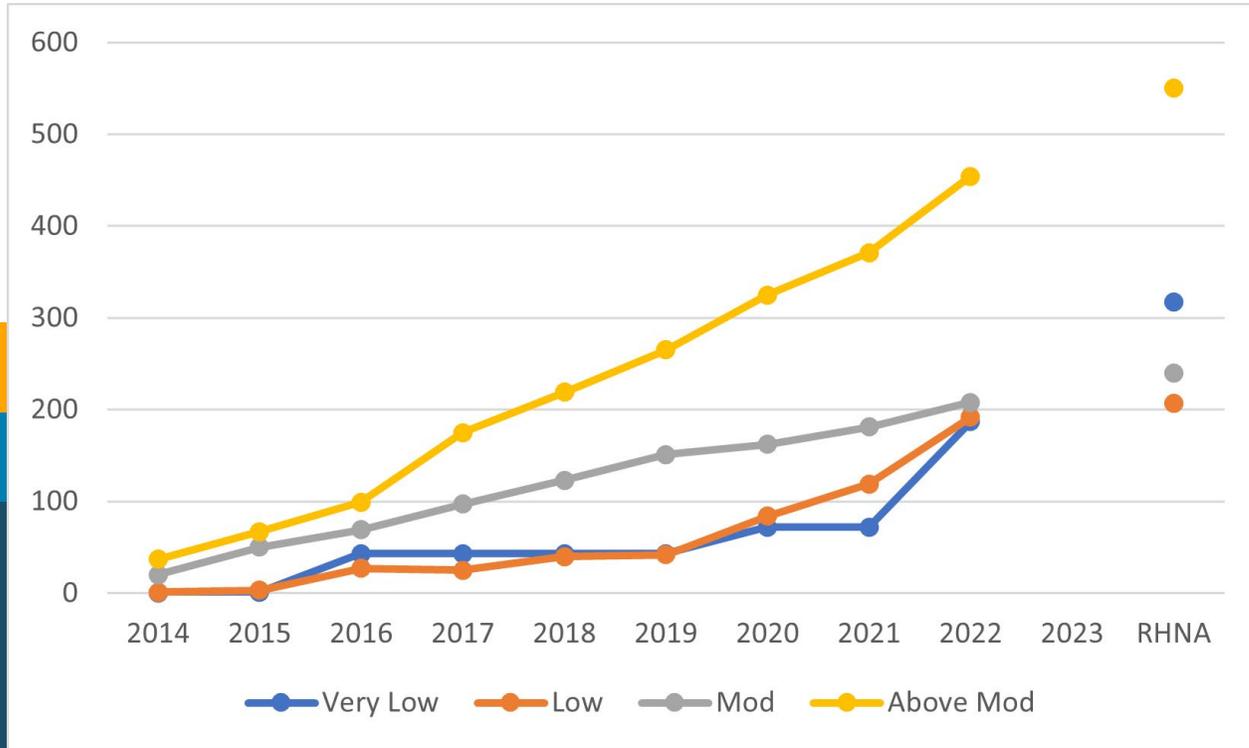
Review of our Predicament

- 2,500 people in the County are experiencing homelessness.
- To afford the average monthly rent of \$2,500 renters need to earn \$48.08/ hr – 3.2x the state minimum wage.
- Rents in the County increased by 15% between Q4 2020 and Q4 2021.
- Almost 60% of renters in Santa Cruz County spend more than 30% of their income on housing.
- Only 16% of county residents can afford a median - priced home of \$1.2 million.

RHNA Allocation

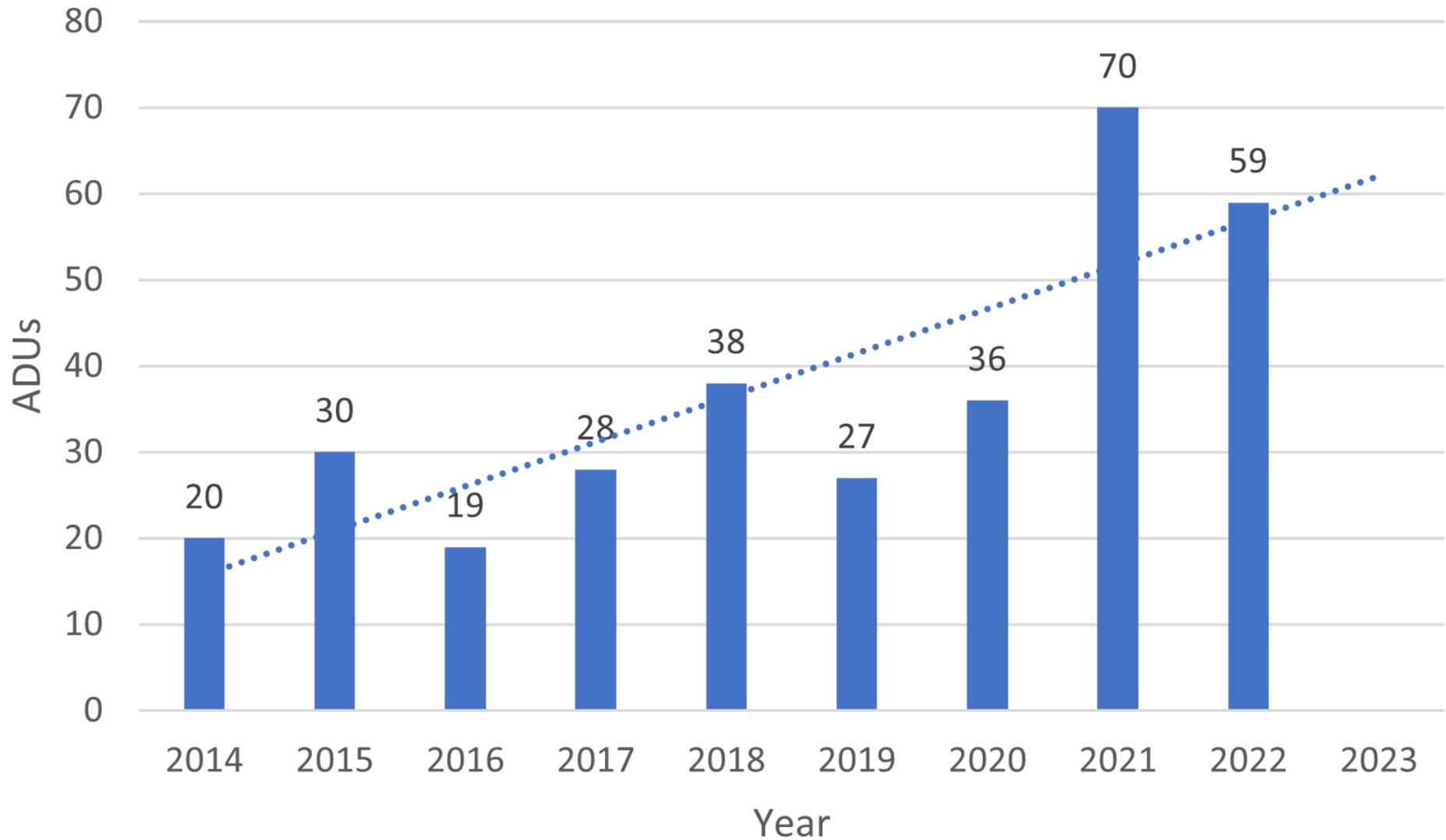
Income Level	5 th Cycle RHNA	6 th Cycle RHNA	Percent Increase
<i>Very Low</i>	317	1,492	471%
<i>Low</i>	207	976	471%
<i>Moderate</i>	240	586	244%
<i>Above Moderate</i>	550	1,580	287%
<i>Total RHNA</i>	<i>1,314</i>	<i>4,634</i>	<i>353%</i>

5th Cycle RHNA Progress



Income Level	5 th Cycle RHNA	Units Permitted	Percent
<i>Very Low</i>	317	187	59%
<i>Low</i>	207	192	93%
<i>Moderate</i>	240	204	85%
<i>Above Moderate</i>	550	449	82%
Total	1,314	1,032	79%

ACCESSORY DWELLING UNITS



Housing issues are typically discussed in the context of five income categories:

1. **Extremely Low-Income Households**, those earning less than 30% of the *County* median income;
2. **Very Low-Income Households**, those earning between 30% and 50% of the median;
3. **Low-Income Households**, those earning between 50% and 80% of the median;
4. **Moderate-Income Households**, those earning between 80% and 120% of the median;
5. **Above Moderate-Income Households**, those earning over 120% of the median.

The official 2022 Area Median Income (AMI) in Santa Cruz county for a family of four is \$119,300.

Income Level	2022 Income Limits for Santa Cruz County By Household Size <i>(AMI = Area Median Income)</i>						
	1	2	3	4	5	6	7
Extremely Low (Up to 30% AMI)	\$32,700	\$37,350	\$42,000	\$46,650	\$50,400	\$54,150	\$57,850
Very Low (30% - 50% AMI)	\$54,450	\$62,200	\$70,000	\$77,750	\$84,000	\$90,200	\$96,450
Low (50% - 80% AMI)	\$87,350	\$99,800	\$112,300	\$124,750	\$134,750	\$144,750	\$154,700
Moderate (80% - 120% AMI)	\$100,200	\$114,500	\$128,850	\$143,150	\$154,600	\$166,050	\$177,500
Median <i>(100% AMI)</i>	\$83,500	\$95,450	\$107,350	\$119,300	\$128,850	\$138,400	\$147,950

Unit Size	Maximum Affordable Rents for each Income Level and Unit Size (AMI = Area Median Income)			
	Extremely Low (Up to 30% AMI)	Very Low (30% - 50% AMI)	Low (50% - 80% AMI)	Moderate (80% - 120% AMI)
Studio	\$509	\$926	\$2,066	\$2,388
1-Bedroom	\$598	\$1,076	\$2,378	\$2,746
2-Bedroom	\$688	\$1,225	\$2,689	\$3,103
3-Bedroom	\$777	\$1,374	\$3,001	\$3,461
4-Bedroom	\$849	\$1,493	\$3,251	\$3,748

Rents include a utility allowance of approximately \$116/month.

Identified Housing Needs

- Units affordable to low and moderate income
- Different options
- Near transit/transportation corridors
- Farmworker housing
- Teacher housing
- Smaller units
- Senior housing
- Supportive housing for disabled, homeless, and those with mental health or substance abuse

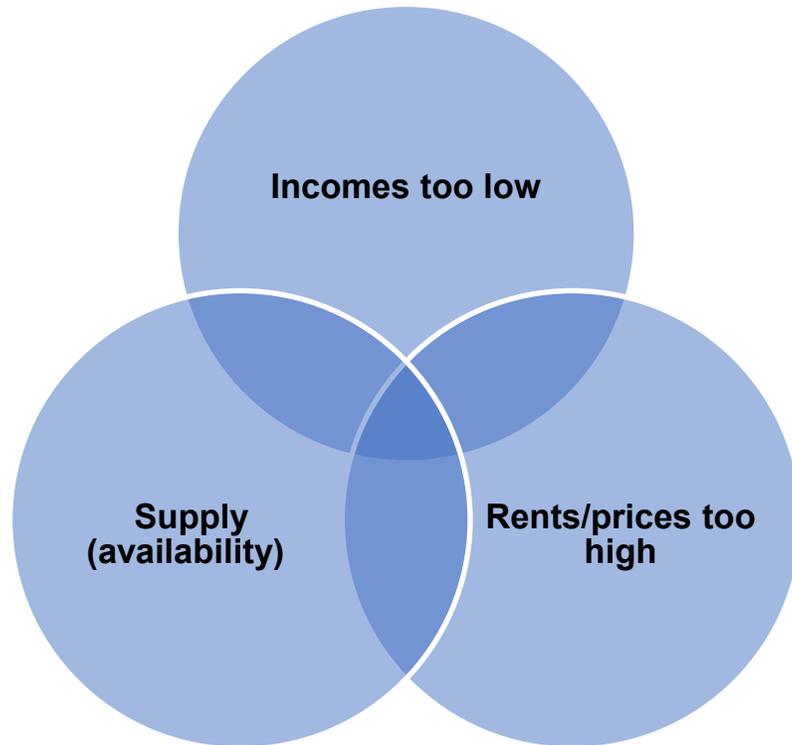


Meeting #2

Housing Barriers



BARRIERS



BARRIERS cont'd

- NATURAL ENVIRONMENT
- OUTSIDE GROWTH AND ECONOMIC BARRIERS
- COASTAL ZONE
- PHYSICAL CONSTRAINTS
- REGULATORY ENVIRONMENT
- INFRASTRUCTURE CONSTRAINTS



Recent Efforts to Remove Regulatory Barriers



Meeting #3

Policies & Programs



Housing Element Goals

- Goal 1: Make it Easier to Build New Housing;
- Goal 2: Maintain and Enhance the Quality of Existing Housing;
- Goal 3: Facilitate the Development of Affordable and Equal Opportunity Housing;
- Goal 4: Improve Housing Accessibility for People with Special Needs
- Goal 5: Promote Energy Conservation and Sustainable Design; and
- Goal 6: Collaborate Across Sectors and Share Housing Resources



Current Policies and Programs

- **Policies** : Improve local codes to make it easier and less costly to build a wider variety of homes (“streamlining”)
- **Programs:** Help create and maintain affordable housing for lower - income renters and first - time buyers
- **Special Needs:** Improve housing accessibility for people with special needs
- **Partnerships:** Partner with utility providers and others to increase feasibility and community support for housing

2022 General Plan and Code Update ("Sustainability Update")

- ✓ Result of Goal 1 in current Housing Element to update land use policies
- ✓ All density ranges expanded/increased
- ✓ Residential Flex Zone: 22 - 45 units per acre
- ✓ Missing middle housing (2 - 4 homes in single family zones)
- ✓ Encourage housing near transportation
- ✓ More housing in mixed - use projects (50% - > 80%)



Other 5th Cycle Policy Achievements

- Improved Density Bonus Program
- Farmworker and Workforce Housing Codes
- Permanent Room Housing
- Safe Structures Program
- Tiny Homes on Wheels
- ADU Code Updates



Ongoing Land Use Policies

1. Identify opportunities to assemble parcels for multi-family housing projects.
2. Streamline permitting of housing to increase supply and affordability.
3. Allow improvement of non-conforming buildings.
4. Restrict conversion of rentals to condominiums.
5. Limit vacation rentals.
6. Meet energy efficiency standards according to code.

Programs

1. Below Market Rate Affordable Housing Program (“Measure J”)
2. Use Affordable Housing Impact Fees for new affordable rental housing and to preserve affordable homes.
3. First-time buyer loan programs (when funding is available)
4. Require owners of unsafe units to pay relocation assistance to displaced tenants.
5. Help developers obtain financing for new affordable apartments, with a priority for projects with units affordable to Extremely Low- Income and/or special needs households
6. Preserve existing affordable units and mobile home parks.

Special Needs

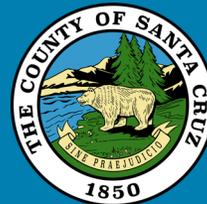
1. Ensure that local codes, policies, and programs allow development of the following, in appropriate zones:
 - Community care facilities for children, youth and adults who need 24/7 care
 - Housing accessible and affordable to seniors, people with disabilities, people living with mental illness, farm workers, families with children, single parents, homeless people, and others with special needs
 - Transitional housing and supportive services for special needs groups, such as youth aging out of foster care, or homeless veterans

Partnerships

1. Collaborate with for-profit and non-profit developers to maximize long-term affordability and promote a variety of housing types.
2. Collaborate with stakeholders on strategies for farm worker housing.
3. Work with utility districts to ensure sewer and water providers prioritize and retain capacity for affordable housing projects.
4. Collaborate with local agencies on improving water, sewer, and transportation capacity to support new housing
5. Collaborate with organizations pursuing “Housing First” goals for homeless people
6. Develop a community outreach program to improve local understanding of the benefits of having enough housing to meet local needs.

Meeting #4

Where & What Type of Housing?



Where Should New Housing Go?



- Near transportation corridors and other services
- In existing neighborhoods and business districts (Infill)
- Farmworker housing on ag land
- On land without environmental constraints
- Rural areas?

What kind of housing should be allowed in each location?

Urban Medium	Urban High	Residential Flex	Mixed Use
7 - 15 du/ac	11 - 30 du/ac	22 - 45 du/ac	22 - 45 du/ac
			

Demonstration: Create a Housing Plan

https://santa_cruz_county_housing.abalancingact.com/InteractiveHousingPlan

Wrap Up & Next Steps



Other Avenues for Input

- County website: www.sccoplanning.com/2023HousingElement
 - Get Involved: Housing Plan tool
 - Email sign up
 - Upcoming events
 - Comment portal
- Community Meetings
 - **Public Meeting #1** , May 15 @ 5:30 pm at Aptos Village Park Hall
 - **Public Meeting #2** , May 31 @ 5:30 pm (Virtual)
 - **Public Meeting #3** , June 28 @ 5:30 pm at Watsonville Civic Plaza Community Room
- Project Documents

How Will Your Input Be Used?

- All the input from the Stakeholder Group and Community Panel compiled in report with your priorities
- New program and policy ideas within the County's control will be added to the Housing Element draft



Questions?

Raise your hand or use the chat.

